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Chairman's report

For year ending 30 June 2010

It is with pleasure that I present my initial report as Chairman of Bexley Financial Services Ltd especially as, for the first time in its history, the Company is able to report a profit. That this goal has finally been achieved is due to the efforts of many people, but none more so than our founding Chairman, Stephen Kaye, who for pressing family reasons stood down as Chairman earlier this year. I extend to Stephen the sincere appreciation of the whole Bexley **Community Bank**[®] Branch "family" for all he has done on our long and sometimes difficult road to profitability. It is pleasing therefore, that, relieved of the additional burdens of the Chairmanship, Stephen is able to continue serving the Company as a Director.

From an operational perspective the year has been one of consolidation rather than growth. During the downturn associated with the global financial crisis our "margin income" was decimated. Fortunately, with the continued strength of the Australian economy and rising interest rates, our "margin income" over the past 12 months has returned to more healthy levels with the result that our earning rate, from a low in February 2009 has improved by over 50% to now be around \$750 per million per month of total banking business. With this consolidation phase now behind us, the task is to achieve a higher level of growth particularly in our "loan book". To this end and with funds provided by Bendigo and Adelaide Bank Ltd, the Board has undertaken an ambitious marketing program concentrating on three main areas:

- sponsorship of major community orientated sporting organisations such as Sydney Olympic, the Sharks Community Program and Fraser Park Football Club with a view to accessing their membership and emphasising the mutually beneficial nature of our relationship;
- sponsorship of the finance segment of the local Greek Community radio station, 2MM; and
- deepening of our relationship with existing customers.

Early signs of success have already appeared from this approach and we look forward to this trend gaining momentum in the months ahead.

Notwithstanding this year's profitable trading, no dividend has been declared, your Board being of the opinion that it was prudent, in these uncertain times, to increase shareholder equity through the retention of its capital. This decision will of course be reviewed annually in the light of future trading results.

I also take this opportunity to thank my fellow Directors for their support throughout the year and in so doing I make particular mention of Bev Scott who has announced that she will not be seeking re-election at the 2010 Annual General Meeting. Bev played a very significant role in seeing a **Community Bank**[®] branch established in Bexley and has served as a Director and Deputy Chair of Bexley Financial Services Ltd since its inception. Again, on behalf of all associated with Bexley **Community Bank**[®] Branch, I thank Bev for all she has contributed and wish her well in her retirement.

Finally I express my appreciation to our Branch Manager, Jim Mantzikopoulos and his tremendous staff for all they do to make banking in Bexley such a pleasant experience for us all.



Anton Dworzak
Chairman

Manager's report

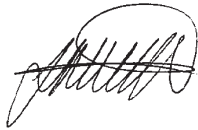
For year ending 30 June 2010

At the start of 2009/2010 Financial Year our total banking business stood at \$58.5 million and my goal was to expand this by a further \$8.5 million. For a variety of reasons, many of which were beyond our control, we only achieved 40% of this target so that as at 30 June 2010 total business had reached just on \$62 million.

Despite this being a disappointment, it is pleasing that at this level the Company is now generating sufficient income to be profitable and that we have in our 1,700 customers and 2,500 accounts a very sound base upon which to build.

I am therefore, delighted with the marketing program initiated by the Board and the significant resources that have been allocated to it. This is enabling me to develop relationships not only in Bexley, but in the broader St George community and beyond. I firmly believe that with time and effort these relationships have the potential to broaden our customer base considerably and deliver the growth we need.

My goal this year is to increase banking business to \$70 million and in so doing increase our loan book by 25%. I am confident that with the ongoing support of the Board and my dedicated staff such a goal is more than achievable.



Jim Mantzikopoulos
Branch Manager

Directors' report

For the financial year ended 30 June 2010

Directors

The names of the Directors in office at any time during or since the end of the end of the year are:

Name of Director	Period of Director	Qualifications, experience & special responsibilities
Anton Dworzak	Since 03 February 2009	Chairperson from June 2010
Beverley Scott	Since 04 August 2003	Deputy Chairperson
Michael Price	Since 01 June 2004	Treasurer & Secretary
Stephen Kaye	Since 04 August 2003	Chairperson till May 2010
Marianthe Kamateros	Since 04 August 2003	
Walter Glaser	Since 22 November 2006	
Yvonne Bellamy	Resigned 18 November 2009	
Douglas Doyle	Since 07 October 2008	
Joseph Merhi	Since 09 March 2010	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' meetings

During the year eleven (11) Directors' meetings were held which were attended by virtually all Directors.

	Directors' meetings	
	Number eligible to attend	Number attended
Stephen Kaye	11	7
Beverley Scott	11	10
Michael Price	11	7
Marianthe Kamateros	11	10
Walter Glaser	11	7
Yvonne Bellamy	6	5
Anton Dworzak	11	10
Douglas Doyle	11	10
Joseph Merhi	3	2

Directors' report continued

Principal activity

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

Result of operations

The net profit after providing for income tax amounted to \$62,244.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

Review of operations

Trading conditions improved considerably during the course of the year such that the Company was able to achieve its first trading profit. While the Company continues to rely on the overdraft facility provided by Bendigo and Adelaide Bank Ltd to pay its accounts when they fall due, it is anticipated that by the end of Financial Year 2010/11 this will no longer be necessary.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

After balance date events

No matters of circumstance have arisen since the end of the financial year which 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 subsequent financial years.

Likely developments

Having now established a sound foundation to its operations and barring the impact of any major adverse external developments, the Company expects that it will continue to grow its business such that it will be able to trade profitability into the future.

Environmental issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Option

During the financial year, and to the date of this report, no option has been granted or is held by any person over any unissued shares of the Company.

Directors' report continued

Directors' interest in shares of the Company or related bodies corporate

The particulars of shares held by the Directors of the Company in the Company or in related bodies corporate which are required to be declared in the register of Directors' shareholdings are as follows:

Name of Director	Shareholding	
Stephen Kaye	1 Founder	5,000 Ordinary
Beverley Scott	1 Founder	7,000 Ordinary
Marianthe Kamateros	1 Founder	2,000 Ordinary
Michael Price		500 Ordinary
Walter Glasser		20,000 Ordinary
Yvonne Bellamy		5,000 Ordinary
Douglas Doyle		500 Ordinary
Anton Dworzak		5,000 ordinary

Directors have also subscribed to shares under the terms of the product disclosure statement.

Directors benefits

No Director has received or has become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Company or a related body corporate with the Director, a firm of which the Director is a member or a Company in which the 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, prepared in accordance with the Corporations Law, or the fixed salary of a full time employee of the Company or related body corporate.

Indemnifying Officer or Auditor

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.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

Directors' report continued

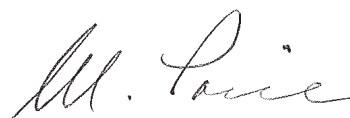
Auditor's independence declaration

The lead Auditor's independence declaration for the year ended 30 June 2010 has been received and can be found following the Directors' report.

Signed in accordance with a resolution of the Board of Directors:



Anton Dworzak
Director



Michael Price
Director

Dated this 28 October 2010.

Auditor's independence declaration

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Bexley Financial Services Limited

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2010 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.

Name of Firm: Partlett, Chave & Rowland
Chartered Accountants



Name of Partner: **Robert Bruce Rowland**

Dated this 28 October 2010.

Address: Baulkham Hills

Financial statements

Statement of comprehensive income For the year ended 30 June 2010

	Note	2010 \$	2009 \$		
Revenue	2	541,207	431,215		
Other income	2	705	330		
Employee benefits expense		(235,269)	(237,575)		
Depreciation and amortisation expense		(16,363)	(60,372)		
Borrowing costs		(91)	(503)		
Other expenses		(227,945)	(216,700)		
Profit before income tax	3	62,244	(83,605)		
Income tax (expense)/revenue	4	-	-		
Profit for the year	3	62,244	(83,605)		
Other comprehensive income:					
Net gain/(loss) on revaluation of non					
Current assets				-	-
Net gain/(loss) on revaluation of financial assets				-	-
Other comprehensive income for the year, net of tax				-	-
Total comprehensive income for the year		62,244	(83,605)		
Profit attributable to members of the entity		62,244	(83,605)		
Total comprehensive income attributable to members of the entity		62,244	(83,605)		

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of financial position As at 30 June 2010

	Note	2010 \$	2009 \$
Assets			
Current assets			
Cash	6	293	311
Receivables	7	50,269	45,165
Other	8	5,519	6,117
Total current assets		56,081	51,593
Non-current assets			
Property, plant and equipment	9	11,917	13,056
Intangibles	10	54,614	68,386
Total non-current assets		66,531	81,442
Total assets		122,612	133,035
Liabilities			
Current liabilities			
Accounts payable	11	39,580	109,770
Borrowings	12	-	3,807
Provisions	13	15,520	14,192
Total current liabilities		55,100	127,769
Total liabilities		55,100	127,769
Net assets (liabilities)		67,512	5,266
Equity			
Issued capital	14	744,909	744,909
Accumulated losses		(677,397)	(739,641)
Total equity		67,512	5,268

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity For the year ended 30 June 2010

	Issued capital ordinary \$	Accumulated losses \$	Total \$
Balance at 1 July 2008	744,909	(656,036)	88,873
Profit/(loss) attributable to members of the entity	-	(83,605)	(83,605)
Total other comprehensive income for the year	-	-	-
Subtotal	744,909	(739,641)	5,268
Dividends paid or provided for	-	-	-
Balance at 30 June 2009	744,909	(739,641)	5,268
Balance at 1 July 2009	744,909	(739,641)	5,268
Profit/(loss) attributable to members of the entity	-	62,244	62,244
Total other comprehensive income for the year	-	-	-
Shares issued during the year	-	-	-
Subtotal	744,909	(677,397)	67,512
Dividends paid or provided for	-	-	-
Balance at 30 June 2010	744,909	(677,397)	67,512

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from commission		539,455	426,201
Payment to suppliers & employees		(463,008)	(461,435)
Interest received		9	433
Other receipts		(1,020)	708
Net cash provided by (used in) operating activities		75,436	(34,093)
Cash flows from investing activities			
Payment for leasehold improvements		(1,333)	(6,667)
Payment for office equipment		(1,453)	(3,233)
Payment for goodwill		(68,862)	-
Net cash provided by (used in) investing activities		(71,648)	(9,900)
Net increase (decrease) in cash held		3,788	(43,993)
Cash at beginning of year		(3,495)	40,498
Cash at end of year		293	(3,495)

The accompanying notes form part of these financial statements.

Financial statements continued

	2010 \$	2009 \$
Notes to the statement of cash flows		
Reconciliation of cash		
Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	4	7
Business cheque account	38	(3,807)
Cash management account	38	37
Club cheque account	213	268
	293	(3,495)
Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax		
Operating profit (loss) after income tax	62,244	(83,605)
Non-cash flows in profit(loss) from ordinary activities:		
Amortisation	13,772	23,555
Depreciation	2,591	36,817
Provision for annual leave	951	2,178
Provision for long service leave	377	1,894
Changes in assets and liabilities:		
Decrease (increase) in trade debtors	(5,103)	(4,656)
Decrease (increase) in sundry debtors	(2)	103
Decrease (increase) in sundry provisions	9,249	130
Decrease (increase) in prepayments	600	89
Increase (decrease) in sundry creditors	(9,471)	(7,180)
Increase (decrease) in trade creditors	209	(2,910)
Increase (decrease) in accrued expenses	19	(508)
Cash flows from operations	75,436	(34,093)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2010

Note 1. Statement of significant accounting policies

This financial report covers Bexley Financial Services Limited as an individual entity. Bexley Financial Services Limited is a Company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

The financial statement is a general purpose financial statement in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions.

Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial statement are presented below. They have been consistently applied unless otherwise stated.

The financial statement has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Income tax

The income tax expense (revenue) for the year comprises current income tax expenses (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases or assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future deductions are available. No deferred income tax will be recognised from initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of Bexley Financial Services Limited to have an independent valuation every three years, with annual appraisals being made by the Directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

b) Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed within Bexley Financial Services Limited includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

c) Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Bexley Financial Services Limited commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Property, plant and equipment (continued)

c) Depreciation (continued)

The depreciation rates used for each class of depreciable asset are:

Class of asset	Depreciation rate %
Leasehold improvements	20%
Franchise agreement	20%
Office furniture & equipment	7 to 20%

The assets' residual values and useful life are reviewed and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to Bexley Financial Services Limited are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at the date of acquisition. Purchased goodwill is amortised on a straight line basis over the period of 5 years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Long Service Leave is accrued in respect of all employees with more than 5 years service with the Company.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks or financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Comparative figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts paid within 30 days of recognition of the liability.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates – impairment

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers.

Adoption of new and revised accounting standards

During the current year the Company adopted new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Bexley Financial Services Limited.

AASB 101: Presentations of financial statements

The Australian Accounting Standards Board has revised AASB 101 and this has resulted in changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Company's financial statement.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Disclosure impact (continued)

Reporting of changes in equity – The revised AASB 101 requires all changes in equity arising from transaction with owners, in their capacity as owners, to be presented separately from non-owners changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owners changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 require all income and expenses to be presented in either one statement, the statement of comprehensive income or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Company's financial statement now contains a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income which comprises of income and expenses that are recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

	2010 \$	2009 \$
Revenue:		
Commission income	541,207	431,215
Other income:		
Interest income	11	330
Other income	694	-
Total other income	705	330

Notes to the financial statements continued

	2010 \$	2009 \$
Note 3. Profit for the year		
Expenses		
Borrowing costs:		
Bank interest	91	503
Depreciation and amortisation expense:		
Property, plant and equipment	2,591	36,817
Goodwill amortisation	13,772	23,555
Total depreciation and amortisation expense	16,363	60,372

Note 4. Income tax expense

The components of tax expense comprise:

Current tax	-	-
Deferred tax	-	-
	-	-

Note 5. Auditors' remuneration

Remuneration of the Auditor of the entity for:

- auditing the financial statements	6,000	5,500
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Note 6. Cash

Current

Cash on hand	4	6
Bendigo business solutions a/c	38	-
Bendigo cash management a/c	38	37
Bendigo club cheque a/c	213	268
	293	311

Notes to the financial statements continued

	2010 \$	2009 \$
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Note 7. Receivables

Current

Trade receivables	50,269	45,165
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Note 8. Other assets

Current

Accrued income	3	1
Prepayments	5,516	6,116
	5,519	6,117

Note 9. Property, plant and equipment

Land and buildings

Leasehold improvements	189,063	189,063
Less: accumulated amortisation	182,973	180,911
	6,090	8,152

Office furniture & equipment	7,058	5,606
Less: accumulated depreciation	1,231	702
	5,827	4,904

Total property, plant and equipment	11,917	13,056
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Note 10. Intangible assets

Goodwill	188,862	188,862
Less accumulated amortisation	134,248	120,476
	54,614	68,386

Notes to the financial statements continued

	2010 \$	2009 \$
Note 11. Payables		
Current		
Sundry creditors	734	80,462
Trade creditors	12,722	12,514
Accrued expenses	13,143	13,125
Gst payable	12,981	3,669
	39,580	109,770

Note 12. Interest bearing liabilities

Current		
Bendigo Business Solutions A/C	-	3,807

Note 13. Provisions

Current		
Provision for long service leave	2,271	1,894
Provision for annual leave	13,249	12,298
	15,520	14,192

Note 14 issued capital

Issued and paid up capital:		
Ordinary shares issued	744,909	744,909

Notes to the financial statements continued

	2010 \$	2009 \$
Note 15. Leasing commitments		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
- not later than 12 months	41,493	41,493
- between 12 months and five years	41,493	82,986
- greater than five years	-	-
	82,986	124,479

The property lease is a non-cancelable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by CPI per annum.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2010 and performance for the year ended on that date of the Company;
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Anton Dworzak
Director



Michael Price
Director

Dated this 28 October 2010.

Independent audit report

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BEXLEY FINANCIAL SERVICES LIMITED

A.B.N. 37 105 775 844

We have audited the accompanying financial report of Bexley Financial Services Limited, which comprises of the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration of the Company at the year's end and from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

Independent audit report continued

Auditor's responsibility (continued)

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Bexley Financial Services Limited on 28 October 2010 would be in the same terms if provided to the Directors as at the date of this Auditor's report.

Qualification

The ability for the Company to recoup its accumulated losses depends on the ability to continuously generate profits and the overdraft facility provided by the Bendigo and Adelaide Bank Ltd. Notwithstanding this uncertainty, in our opinion it is still appropriate for the financial report to be prepared on a going concern basis.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph,

(a) the financial report of Bexley Financial Services Limited is 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 2010 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: Partlett, Chave & Rowland
Chartered Accountants



Name of Partner: **Robert Bruce Rowland**

Dated this 28 October 2010s

Address: Baulkham Hills

