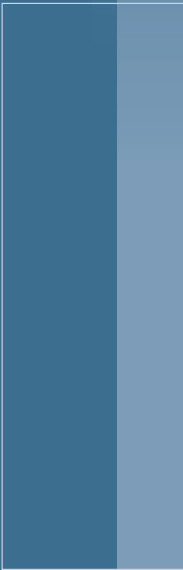
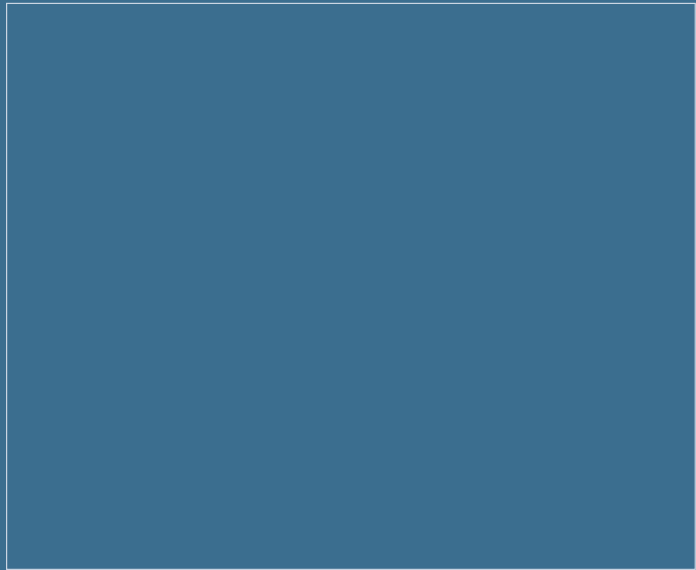
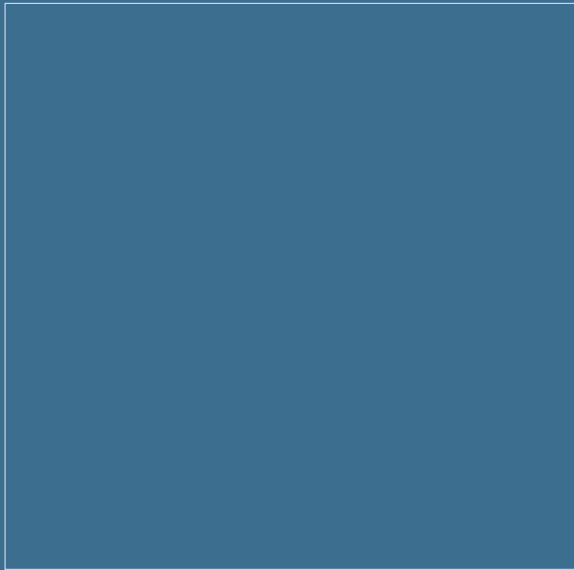


annual report | 2009



Bunyip & District Community
Enterprises Limited
ABN 42 124 125 515

Bunyip & District **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2009

I am pleased to present the 2009 Annual Report on behalf of your Directors.

As you will be aware, the last year has been particularly difficult in the banking and finance industries due to the world financial crisis. Nevertheless, your Company has been able to achieve break even results in many months, traded profitably in the latter six months, and achieved an annual result significantly better than budget.

This is regarded by all as a wonderful result, given that we had been open at 30 June 2009, for just 21 months.

Our budget for the current year indicates total business of more than \$52 million and a profitable year.

The major purpose of your Company developing significant profitability is to benefit the community. To achieve this we aspire to provide the best possible banking service, and in so doing provide you, our shareholders, with a return on your investment in the business.

We have continued to make distributions to almost 30 non profit community organisations in our district during this last 12 months by utilising Market Development Funds allocated to us by Bendigo and Adelaide Bank Ltd for this purpose.

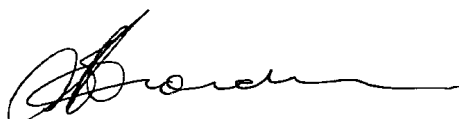
In addition, we have allocated \$50,000 to the Building Fund for the new Multi Purpose Facility currently being constructed in Bunyip.

Do you constantly take the opportunity to place as much business with the Branch as possible, and encourage others to do likewise? Your Directors ask that you actively support their work and thereby benefit yourselves as shareholders, and the community. And, of course, for the businesses in the district, keeping the money locally and circulating, will, through the Multiplier Effect, add to their businesses as well.

Half the gross revenue earned by our branch stays right here in the district.

Any shareholders who are not yet banking with the branch, and there are still quite a number, will by supporting our branch, be directly benefitting themselves, the local clubs, their children's schools, and our other not for profit organisations. We are wanting you to do yourself and us all a favour!

I would like to thank all those who have contributed over the last 12 months to the success of our enterprise. In particular to: my fellow Directors, to our Branch Manager Sue Dubbeld, to her very enthusiastic staff, to the Regional Support Staff, to all our customers, and to you our shareholders.



Andrew Troedel
Chairman

Manager's report

For year ending 30 June 2009

It is with great pleasure that I submit my report to our shareholders for the year ending 30 June 2009.

We have had another successful year, with our total balance sheet position as at 30 June 2009 being \$42.2 million. This was represented by \$5.2 million in deposit growth and \$6 million in lending growth – a fantastic achievement.

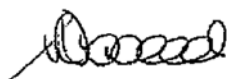
This growth can also be seen in other areas. We increased our customer numbers by 243 and the number of customer transactions processed in the branch increased from 1,659 last year to 1,932 this year. The ATM is still proving to be a great convenience to the community.

Our branch team continues to be our point of difference; their commitment to customer service, their welcoming smiles and friendly faces is appreciated by everyone. Staff have attended a number of internal and external training workshops throughout the year to ensure that their knowledge in all areas of banking is up to date.

In April of this year we farewelled one of our original staff members, Customer Relationship Officer Krystal Lamble. I would like to acknowledge her hard work and commitment in making our branch the success it is today. I wish her all the best in her continued career with Bendigo and Adelaide Bank Ltd. Jenni Lewis accepted the position of Customer Relationship Officer and I welcome her on board, knowing that she will be a great asset to our branch and the community.

I would like to thank my team, Krystal, Jenna, Jess and Jenni who continue to provide our customers with a superior level of personalised service. I would also like to thank the Board for all of their support and for their commitment to the **Community Bank**[®] concept.

As an investor in your community and the Company, we seek your continued support as an advocate for the branch by encouraging family and friends to be supporters of your **Community Bank**[®] branch.



Sue Dubbeld
Branch Manager

Directors' report

For year ending 30 June 2009

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

Directors

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



Andrew Troedel – Chairman

Andrew claims to be a semi - retired farmer having spent many years operating manufacturing businesses and farm tourism. In an earlier life he was a secondary level schoolteacher and professional accountant and he is still active as a Company Director.



Martin Francis Sayers OAM - Deputy Chairman

Martin has lived all his life in Bunyip. He has involvement at all levels of the protea industry over many years, and held Directorships and consultancies with government and private enterprise. Martin was awarded the Order of Australia Medal June 2007.



James Joseph Fitzpatrick – Treasurer

Jim has been a resident of Bunyip for 20 years and has been involved with many community and sporting groups as his three children grew up. Jim works in the area of superannuation consultancy advising employers and trustees in relation to their corporate superannuation.



Alan Ernest Cole OAM - Secretary and Public Officer

Alan has spent more than 40 years working in the public and community services area. He has been Secretary and Public Officer of the Board of Management of Hillview Bunyip Aged Care Inc for the past 15 years.

Alan was awarded the Order of Australia Medal in January 2007 for services to the Landcare movement and Community Service in the Shire of Cardinia.

Directors' report continued



Lindsay Scott McNaught - Board Member

Lindsay is has lived in Tonimbuk for 26 years. He is actively involved in Bunyip Tennis Club, Bunyip Landcare Group and member of the team attempting to save the State of Victoria's emblem, The Helmeted Honeyeater.



William James Pearson – Board Member

Bill is a long time resident, qualified Accountant, farmer, businessman and renowned community worker. Bill has been Secretary/Treasurer of a number of local community groups including Bunyip Medical Centre, Hillview Bunyip Aged Care Inc, Bunyip Newsletter and Bunyip Tennis Club. He is currently Bunyip Ward Councillor of Cardinia Shire Council.



Margaret Bardon – Board Member

Marg has worked as a primary level schoolteacher, hospitality and as a bookkeeper/ payroll Officer. After years of involvement working in with community groups Marg has returned to hospitality to be the popular publican of Bunyip's Top Pub.



Francis William Regan – Board Member

Frank is a semi-retired farmer and resident of Bunyip / Iona for over 50 years. Frank worked for many years in finance and administrative roles for an International Company. He was a Board Member of Shelley Memorial Hospital till closure and is currently a member of Bunyip Cemetery Trust.



Christine Anne Kelly – Board member

Chris worked for a number of manufacturing companies starting as a cost clerk and ending a Management Accountant / Office Manager. A lifestyle change has left Chris busier that ever being involved in a number of community groups including Bunyip CWA, Bunyip Singers, Treasurer / Booking Officer of Bunyip Hall and a member of the Board of Management of Hillview Bunyip Aged Care Inc.

Directors' report continued



Suzanne Beattie - Board Member

Sue is a long time resident of Garfield and Bunyip and works primarily as a bookkeeper. Sue is also a qualified Real Estate Consultant and she is an Executive Officer of several Community Groups including Hillview Bunyip Aged Care Inc and Bunyip Community Shop.



Anthony Robin Lock (Joined the Board 2009)

Tony is well known throughout the community. Prior to moving to Garfield, Tony was the Delivery Manager for Australia Post for 16 years. Now the licensee of Garfield Post Office and Garfield's local postie, Tony with his good business practise was awarded Post Office of the year in 2008. He is Secretary of several community groups including the Longwarry angling club and the Community Building Initiative (CBI).

Jacqueline Jane Scull (resigned January 2009)

Director
Farm Manager

Debra Wouters (resigned March 2009)

Director
Retailer

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.

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

Operating results

Operations have performed in line with expectations. The loss of the Company for the financial year after provision for income tax was \$54,396 (2008: \$202,737).

Dividends

The Directors recommend that no dividend be paid for the current 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: | 12 |
|--|-----------|
| Number of meetings attended: | |
| Andrew Barnet Troedel | 12 |
| Margaret Ann Bardon | 12 |
| Alan Ernest Cole | 11 |
| James Joseph Fitzpatrick | 10 |
| Lindsay Scott McNaught | 11 |
| William James Pearson | 6 |
| Martin Francis Sayers | 9 |
| Jacqueline Jane Scull (resigned 19 January 2009) | 6 |
| Francis William Regan | 12 |
| Suzanne Beattie | 10 |
| Debra Wouters (resigned 17 March 2009) | 0 |
| Christine Anne Kelly | 11 |
| Antonio Arrigo (resigned 6 October 2008) | 0 |

Company Secretary

Alan Cole has been the Company Secretary of Bunyip & District Community Enterprises Ltd since incorporation in 2007. His qualifications and experience include having spent more than 40 years working in the public and community services area. Alan was awarded an OAM in 2007 for services to the community and the environment.

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 James Fitzpatrick, William Pearson, Francis Regan and Jacqueline Scull;
- (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.

Directors' report continued

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

16 September 2009

The Directors
Bunyip & District Community Enterprises Ltd
18 Main Street
Bunyip Vic 3815

Dear Directors

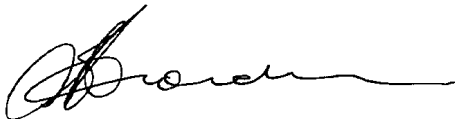
Auditor's Independence Declaration

In relation to our audit of the financial report of Bunyip & District Community Enterprises Ltd 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 Bunyip on 30 September 2009.



Andrew Barnet Troedel
Director

Financial statements

Income statement For year ending 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--|------|-----------------|------------------|
| Revenue from ordinary activities | 2 | 364,557 | 221,950 |
| Employee benefits expense | 3 | (244,790) | (209,886) |
| Charitable donations and sponsorship | | (9,630) | (11,937) |
| Depreciation and amortisation expense | 3 | (9,825) | (8,974) |
| Other expenses from ordinary activities | | (166,129) | (236,703) |
| Profit/(loss) before income tax expense | | (65,817) | (245,550) |
| Income tax expense / (benefit) | 4 | (11,421) | (42,813) |
| Profit/(loss) after income tax expense | | (54,396) | (202,737) |
| Earnings per share (cents per share) | | | |
| - basic for profit / (loss) for the year | 21 | (8.06) | (30.03) |
| - diluted for profit / (loss) for the year | 21 | (8.06) | (30.03) |

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 | 117,065 | 185,114 |
| Receivables | 7 | 39,257 | 34,328 |
| Total current assets | | 156,322 | 219,442 |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 217,759 | 225,584 |
| Deferred income tax asset | 4 | 54,234 | 42,813 |
| Intangible assets | 9 | 6,000 | 8,000 |
| Total non-current assets | | 277,993 | 276,397 |
| Total assets | | 434,315 | 495,839 |
| Current liabilities | | | |
| Payables | 10 | 35,404 | 32,138 |
| Provisions | 11 | - | - |
| Total current liabilities | | 35,404 | 32,138 |
| Total liabilities | | 35,404 | 32,138 |
| Net assets | | 398,911 | 463,701 |
| Equity | | | |
| Share capital | 12 | 656,044 | 666,438 |
| Retained earnings / (accumulated losses) | 13 | (257,133) | (202,737) |
| Total equity | | 398,911 | 463,701 |

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 | | 353,346 | 192,471 |
| Cash payments in the course of operations | | (415,515) | (444,406) |
| Interest received | | 4,514 | 13,169 |
| Net cash flows from/(used in) operating activities | 14b | (57,655) | (238,766) |
| Cash flows from investing activities | | | |
| Payment for intangible assets | | - | (10,000) |
| Payments for property, plant and equipment | | - | (232,558) |
| Net cash flows from/(used in) investing activities | | - | (242,558) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | - | 675,009 |
| Share issue costs | | (10,394) | (8,571) |
| Net cash flows from/(used in) financing activities | | (10,394) | 666,438 |
| Net increase/(decrease) in cash held | | (68,049) | 185,114 |
| Add opening cash brought forward | | 185,114 | - |
| Closing cash carried forward | 14a | 117,065 | 185,114 |

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 | | 666,438 | - |
| Issue of share capital | | - | 675,009 |
| Share issue costs | | (10,394) | (8,571) |
| Balance at end of year | | 656,044 | 666,438 |
| Retained earnings / (accumulated losses) | | | |
| Balance at start of year | | (202,737) | - |
| Profit/(loss) after income tax expense | | (54,396) | (202,737) |
| Dividends paid | | - | - |
| Balance at end of year | | (257,133) | (202,737) |

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 30 September 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 for buildings and a diminishing value basis for plant & equipment over the estimated useful life of the asset as follows:

| Class of asset | Depreciation rate |
|-----------------------|--------------------------|
| Buildings | 2.5% |
| Plant & equipment | 15 - 18.7% |

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.

Revenue

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

Notes to the financial statements continued

Note 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.

Comparative figures

The entity commenced operations during the prior period, and hence comparative figures are for the period ended 30 June 2008.

| | 2009 \$ | 2008 \$ |
|---|----------------|----------------|
| Note 2. Revenue from ordinary activities | | |
| Operating activities | | |
| - services commissions | 360,043 | 205,116 |
| - other revenue | - | 3,665 |
| Total revenue from operating activities | 360,043 | 208,781 |

Notes to the financial statements continued

| | 2009 \$ | 2008 \$ |
|--|----------------|----------------|
| Note 2. Revenue from ordinary activities (continued) | | |
| Non-operating activities: | | |
| - interest received | 4,514 | 13,169 |
| - other revenue | - | - |
| Total revenue from non-operating activities | 4,514 | 13,169 |
| Total revenue from ordinary activities | 364,557 | 221,950 |

Note 3. Expenses

Employee benefits expense

| | | |
|-------------------------------|----------------|----------------|
| - wages and salaries | 184,578 | 167,602 |
| - superannuation costs | 17,782 | 13,814 |
| - workers' compensation costs | 831 | 545 |
| - other costs | 41,599 | 27,925 |
| | 244,790 | 209,886 |

Depreciation of non-current assets:

| | | |
|--------------------------|-------|-------|
| - plant and equipment | 2,409 | 2,919 |
| - leasehold improvements | 5,416 | 4,055 |

Amortisation of non-current assets:

| | | |
|---------------|--------------|--------------|
| - intangibles | 2,000 | 2,000 |
| | 9,825 | 8,974 |

| | | |
|-----------|-----|----|
| Bad debts | 131 | 30 |
|-----------|-----|----|

Note 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% | (19,745) | (73,665) |
| Add tax effect of: | | |
| - Non-deductible expenses | 8,324 | 30,852 |
| Current income tax expense | (11,421) | (42,813) |
| Income tax expense | (11,421) | (42,813) |

Notes to the financial statements continued

| | 2009 \$ | 2008 \$ |
|---|---------------|---------------|
| Note 4. Income tax expense (continued) | | |
| 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. | | |
| | 11,421 | 42,813 |

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 | 3,686 | 2,700 |
| - Completion of feasibility study | - | 6,000 |
| - Accounting work for prospectus | - | 1,800 |
| | 3,686 | 10,500 |

Note 6. Cash assets

| | | |
|---------------------------------|----------------|----------------|
| Cash at bank and on hand | 117,065 | 185,114 |
|---------------------------------|----------------|----------------|

Note 7. Receivables

| | | |
|---------------|---------------|---------------|
| Trade debtors | 38,707 | 31,459 |
| Other debtors | 550 | 2,869 |
| | 39,257 | 34,328 |

Note 8. Property, plant and equipment

Leasehold improvements

| | | |
|-------------------------------|----------------|----------------|
| At cost | 216,603 | 216,603 |
| Less accumulated depreciation | (9,471) | (4,055) |
| | 207,132 | 212,548 |

Notes to the financial statements continued

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

Note 8. Property, plant and equipment (continued)

Plant and equipment

| | | |
|----------------------------------|----------------|----------------|
| At cost | 15,955 | 15,955 |
| Less accumulated depreciation | (5,328) | (2,919) |
| | 10,627 | 13,036 |
| Total written down amount | 217,759 | 225,584 |

Movements in carrying amounts

Leasehold improvements

| | | |
|---------------------------------------|----------------|----------------|
| Carrying amount at beginning of year | 212,548 | - |
| Additions | - | 216,603 |
| Disposals | - | - |
| Depreciation expense | (5,416) | (4,055) |
| Carrying amount at end of year | 207,132 | 212,548 |

Plant and equipment

| | | |
|---------------------------------------|---------------|---------------|
| Carrying amount at beginning of year | 13,036 | - |
| Additions | - | 15,955 |
| Disposals | - | - |
| Depreciation expense | (2,409) | (2,919) |
| Carrying amount at end of year | 10,627 | 13,036 |

Note 9. Intangible assets

Franchise fee

| | | |
|-------------------------------|--------------|--------------|
| At cost | 10,000 | 10,000 |
| Less accumulated amortisation | (4,000) | (2,000) |
| | 6,000 | 8,000 |

Notes to the financial statements continued

| | 2009 \$ | 2008 \$ |
|------------------------------|---------------|---------------|
| Note 10. Payables | | |
| Trade creditors | 31,394 | 26,383 |
| Other creditors and accruals | 4,010 | 5,755 |
| | 35,404 | 32,138 |

Note 11. Provisions

| | | |
|--|---|---|
| Employee benefits | - | - |
| Number of employees at year end | - | - |

All branch staff are employees of Bendigo and Adelaide Bank Ltd.

Note 12. Share capital

| | | |
|--|----------------|----------------|
| 675,009 Ordinary Shares fully paid of \$1 each | 675,009 | 675,009 |
| Less: Equity raising costs | (18,965) | (8,571) |
| | 656,044 | 666,438 |

All the above shares were issued during the period ended 30 June 2008.

Note 13. Retained earnings/ (accumulated Losses)

| | | |
|---|------------------|------------------|
| Balance at the beginning of the financial year | (202,737) | - |
| Profit/(loss) after income tax | (54,396) | (202,737) |
| Dividends | - | - |
| Balance at the end of the financial year | (257,133) | (202,737) |

Notes to the financial statements continued

| | 2009 \$ | 2008 \$ |
|---|-----------------|------------------|
| Note 14. Cash flow statement | | |
| (a) Reconciliation of cash | | |
| Cash assets | 117,065 | 185,114 |
| (b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities | | |
| Profit / (loss) after income tax | (54,396) | (202,737) |
| Non cash items | | |
| - Depreciation | 7,825 | 6,974 |
| - Amortisation | 2,000 | 2,000 |
| Changes in assets and liabilities | | |
| - (Increase) decrease in receivables | (4,929) | (34,328) |
| - (Increase) decrease in deferred income tax asset | (11,421) | (42,813) |
| - Increase (decrease) in payables | 3,266 | 32,138 |
| Net cash flows from/(used in) operating activities | (57,655) | (238,766) |

Note 15. Director and related party disclosures

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

Andrew Barnet Troedel
Margaret Ann Bardon
Alan Ernest Cole
James Joseph Fitzpatrick
Lindsay Scott McNaught
William James Pearson
Martin Francis Sayers
Jacqueline Jane Scull (resigned 19 January 2009)
Francis William Regan
Suzanne Beattie
Debra Wouters (resigned 17 March 2009)
Christine Anne Kelly
Antonio Arrigo (resigned 6 October 2008)

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

Notes to the financial statements continued

Note 15. Director and related party disclosures (continued)

| Directors' shareholdings | 2009 | 2008 |
|--|-------------|-------------|
| Andrew Barnet Troedel | 8,001 | 8,001 |
| Margaret Ann Bardon | 2,001 | 2,001 |
| Alan Ernest Cole | 1,001 | 1,001 |
| James Joseph Fitzpatrick | 5,001 | 5,001 |
| Lindsay Scott McNaught | 5,000 | 5,000 |
| William James Pearson | 1,000 | 1,000 |
| Martin Francis Sayers | 5,001 | 5,001 |
| Jacqueline Jane Scull (resigned 19 January 2009) | 2,001 | 2,001 |
| Francis William Regan | 4,000 | 4,000 |
| Suzanne Beattie | 2,000 | 2,000 |
| Debra Wouters (resigned 17 March 2009) | - | - |
| Christine Anne Kelly | 8,000 | 8,000 |
| Antonio Arrigo (resigned 6 October 2008) | 1,001 | 1,001 |

There was no movement in Directors' shareholdings during the year. 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 Bunyip, Victoria.

Notes to the financial statements continued

Note 19. Corporate information

Bunyip & District Community Enterprises Ltd is a Company limited by shares incorporated in Australia.

The registered office is: 5 High Street,
Bunyip VIC 3815

The principal place of business is: 18 Main Street,
Bunyip VIC 3815

Note 20. Dividends paid or provided for on ordinary shares

No dividends were paid or declared during the year.

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

Note 21. Earnings per share

Basic earnings per share amounts are calculated by dividing profit / (loss) 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 / (loss) 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/(loss) after income tax expense | (54,396) | (202,737) |
| Weighted average number of ordinary shares for basic and diluted earnings per share | 675,009 | 675,009 |

Notes to the financial statements continued

Note 22. 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 | 117,065 | 185,114 |
| Receivables | 39,257 | 34,328 |
| | 156,322 | 219,442 |

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 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.

Notes to the financial statements continued

Note 22. Financial risk management (continued)

(b) Liquidity risk (continued)

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 | 35,404 | (35,404) | (35,404) | - | - |
| | 35,404 | (35,404) | (35,404) | - | - |
| 30 June 2008 | | | | | |
| Payables | 32,138 | (32,138) | (32,138) | - | - |
| | 32,138 | (32,138) | (32,138) | - | - |

(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.

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 | 106,035 | 178,556 |
| Financial liabilities | - | - |
| | 106,035 | 178,556 |

Notes to the financial statements continued

Note 22. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis (continued)

| | Carrying amount | |
|----------------------------------|-----------------|--------------|
| | 2009 | 2008 |
| | \$ | \$ |
| Variable rate instruments | | |
| Financial assets | 11,030 | 6,558 |
| Financial liabilities | - | - |
| | 11,030 | 6,558 |

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. 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 period end.

(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%.

Notes to the financial statements continued

Note 22. Financial risk management (continued)

(e) Capital management (continued)

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.

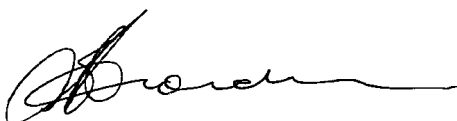
There were no changes in the Company's approach to capital management during the year.

Directors' declaration

In accordance with a resolution of the Directors of Bunyip & District Community Enterprises Ltd, 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 period 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.



Andrew Barnet Troedel

Director

Signed at Bunyip on 30 September 2009.

Independent audit report

Richmond Sinnott & Delahunty Chartered Accountants



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BUNYIP & DISTRICT COMMUNITY ENTERPRISES LTD

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 Bunyip & District Community Enterprises Ltd, 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.

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ABN 60 616 244 309

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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 Bunyip & District Community Enterprises Ltd 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;
 - (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: 16 September 2009

Bunyip & District **Community Bank**[®] Branch
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Franchisee: Bunyip & District Community Enterprises Limited
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