

# annual report 2010



Bunyip & District Community

Enterprises Limited

ABN 42 124 125 515

Bunyip & District **Community Bank**<sup>®</sup> Branch

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# Chairman's report

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For year ending 30 June 2010

I am pleased to present the 2010 Annual Report on behalf of your Directors.

It has been an excellent year for the Company; we are now in trading profit of \$25,000 which is a wonderful result given we have only been operational for three years.

\$100,000 in sponsorship and grants has been disbursed into the community in that time, the major sponsorship being \$75,000 towards the Multi Purpose Auditorium at the Bunyip Recreation Reserve.

Garfield will be provided with an ATM later this year and a proposed ATM in Nar Nar Goon should be operational early 2011.

Our Branch Manager, Sue Dubbeld has been very busy this year developing many contacts throughout our area, with a great deal of success. To continue the growth in our branch, it is important for all shareholders to support the bank with their business and encourage others to do the same. This will benefit all shareholders, local clubs, schools and any not-for-profit organisations. Promote our **Community Bank**<sup>®</sup> branch.

The staff have contributed their time helping many community organisations such as Bunyip Garfield Rotary Club raising \$7,552 with the 'Ban the Bulb' project, the Bunyip Country Music Festival, the Columba School Fete and many more. On behalf of the Directors I would like to thank Sue Dubbeld and our friendly staff, who have worked hard this year to achieve an excellent result for 2010.



**Sue Beattie**  
**Chairman**

# Manager's report

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For year ending 30 June 2010

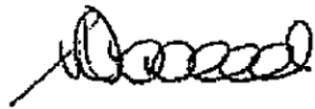
On behalf of the branch, it is my pleasure to submit my annual report to our shareholders for the year ending 30 June 2010.

It has been another satisfying year. Our business has continued to grow and as at 30 June 2010 our total balance sheet was \$52 million. Our customer base has continued to expand with 204 new customers coming on board bringing our total account numbers to 2,317, with an average of 1,994 over the counter transactions being processed. The branch performed well with the promotion of our ancillary products and as always the ATM is still proving to be a great convenience to the community.

In July we farewelled Customer Service Officer Jess Falls and I would like to acknowledge her hard work and commitment and wish her every success in her continued career with Bendigo and Adelaide Bank Ltd. We then welcomed on board Customer Service Officers Nicole Jessup and Brenda Watts and both are fitting into the branch structure well.

To my team – Jenni Lewis, Jenna Milner, Jess Falls, Nicole Jessup and Brenda Watts - I extend my thanks. Our branch team continues to be our point of difference; the staff form a strong, reliable and more importantly a dedicated team. They are committed to providing our customers with a superior level of personalised service. I would also like to acknowledge the ongoing support we have received from the Board of Directors who continue to be key contributors to the success of our **Community Bank**<sup>®</sup> branch.

Finally in closing I must acknowledge the support of all of our customers, the business cannot expand without their ongoing support. For those shareholders who have not yet enjoyed the unique experience of the **Community Bank**<sup>®</sup> concept I invite you to call into the branch, meet the staff and become part of our **Community Bank**<sup>®</sup> branch family.



**Sue Dubbeld**  
**Branch Manager**

# Bendigo and Adelaide Bank Ltd report

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For year ending 30 June 2010

Now in its 13th year, the **Community Bank**<sup>®</sup> network continues to grow and make significant contributions to local communities right across Australia.

In the 2009/10 financial year 22 new **Community Bank**<sup>®</sup> branches were opened, taking the total number of branches to 259.

More than 545,000 customers chose to support the network with their banking business made up of more than 788,000 accounts, giving the networks a combined banking book of more than \$16.3 billion.

Our **Community Bank**<sup>®</sup> customers have been served by more than 1150 staff that are supported by almost 1700 volunteer Directors.

And these Directors are endorsed by around 63,000 shareholders who have received more than \$14.7 million in dividends, a reward for their belief in the **Community Bank**<sup>®</sup> concept.

All of this support has enabled the **Community Bank**<sup>®</sup> network to return more than \$40.3 million to assist local community groups and projects since the first **Community Bank**<sup>®</sup> branch opened in 1998.

These figures add up to a strong **Community Bank**<sup>®</sup> network, a franchise of the Bendigo and Adelaide Bank Ltd, which like its community partners, continues to flourish attracting more than 10,000 new customers every month.

This has been made possible through the restructure of the bank's executive team under the leadership of Managing Director, Mike Hirst.

At the start of 2010, the world's great economies continued to feel the aftershocks of the Global Financial Crisis. However, Australia's economy remained relatively stable during the turbulent times. While the impact of the GFC was felt by our community owned and operated branches, it is a testament to our business models and partners that our **Community Bank**<sup>®</sup> network continues to develop.

In fact, not only did our network continue to develop, in the past year we have witnessed one of our most successful launch programs to date. We saw a new branch emerge out of the ashes in Kinglake, less than a year after the region was devastated by Victoria's Black Saturday Bushfires.

The Pyrmont **Community Bank**<sup>®</sup> Branch saw us make an inroad into the competitive but lucrative Sydney banking market. And over the next 12 months Bendigo Bank will continue to grow its ATM and branch network in New South Wales, providing further support in boosting the profile of Bendigo's brand in the state.

This year we have also launched Community Snapshots on the Bendigo Bank website. This online initiative shares and highlights the great contributions and tangible outcomes the **Community Bank**<sup>®</sup> network generates for its local communities.

## Bendigo and Adelaide Bank Ltd report continued

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There has also been a focus on the continued roll out of our Good for Business, Good for Community program, which is an important element of our overall Community Strengthening for the coming year.

Thank you again for your continued commitment and support of the **Community Bank**<sup>®</sup> network.



**Russell Jenkins**

**Executive Customer and Community**

# Directors' report

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For the financial year ended 30 June 2010

Your Directors submit their report of the Company for the financial year ended 30 June 2010.

## Directors

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

**Andrew Barnet Troedel**

Chairman  
Semi-Retired Farmer and Company Director

**Alan Ernest Cole**

Company Secretary  
Semi-Retired Farmer

**Margaret Ann Bardon**

Director  
Publican

**Lindsay Scott McNaught**

Director  
Art Restorer

**James Joseph Fitzpatrick**

Treasurer  
Superannuation Consultant

**William James Pearson**

Director  
Retired Accountant / Farmer

**Christine Anne Kelly**

Director  
Company Director

**Martin Francis Sayers**

Director  
Horticulturalist

**Francis William Regan** (resigned 1 October 2009)

Director  
Retired

**Suzanne Beattie**

Director  
Bookkeeper

**Anthony Robin Lock**

Director  
Post Master

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**<sup>®</sup> 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 \$15,237 (2009: \$54,414).

# Directors' report continued

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## **Dividends**

The Directors recommend that no dividend be paid for the current year.

## **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 agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company also has Officers Insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

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

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## Directors' meetings

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

Director	Board meetings #	Audit committee meetings #
Andrew Barnet Troedel	9 (11)	02 (02)
Margaret Ann Bardon	11 (11)	N/A
Alan Ernest Cole	11 (11)	N/A
James Joseph Fitzpatrick	8 (11)	02 (02)
Lindsay Scott McNaught	9 (11)	N/A
William James Pearson	4 (11)	02 (02)
Martin Francis Sayers	10 (11)	N/A
Francis William Regan (resigned 1 October 2009)	2 (11)	N/A
Suzanne Beattie	9 (11)	N/A
Christine Anne Kelly	10 (11)	N/A
Anthony Robin Lock	6 (11)	N/A

# The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

N/A - not a member of that Committee.

## 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 and Francis Regan;
- (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

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## **Auditor Independence Declaration**

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

### **Richmond Sinnott & Delahunty** Chartered Accountants



24 September 2010

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

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

Dear Directors

#### **Auditor's Independence Declaration**

In relation to our audit of the financial report of Bunyip & District Community Enterprises Limited for the year ended 30 June 2010, 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 28 September 2010.

**Andrew Barnet Troedel**  
Director

# Financial statements

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## Statement of comprehensive income For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue from ordinary activities	2	479,443	364,557
Employee benefits expense	3	(247,839)	(244,790)
Charitable donations and sponsorship		(4,608)	(9,630)
Depreciation and amortisation expense	3	(9,380)	(9,825)
Other expenses from ordinary activities		(194,992)	(166,128)
<b>Profit/(loss) before income tax expense</b>		<b>22,624</b>	<b>(65,816)</b>
Income tax expense / (benefit)	4	7,387	(11,421)
<b>Profit/(loss) after income tax expense</b>		<b>15,237</b>	<b>(54,395)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>15,237</b>	<b>(54,395)</b>
<b>Earnings per share (cents per share)</b>			
- basic for profit / (loss) for the year	21	2.26	(8.06)
- diluted for profit / (loss) for the year	21	2.26	(8.06)

The accompanying notes form part of these financial statements.

## Financial statements continued

### Statement of financial position As at 30 June 2010

	Note	2010 \$	2009 \$
<b>Current assets</b>			
Cash and cash equivalents	6	153,518	117,065
Receivables	7	46,008	39,257
<b>Total current assets</b>		<b>199,526</b>	<b>156,322</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	210,379	217,759
Deferred tax asset	4	46,847	54,234
Intangible assets	9	4,000	6,000
<b>Total non-current assets</b>		<b>261,226</b>	<b>277,993</b>
<b>Total assets</b>		<b>460,752</b>	<b>434,315</b>
<b>Current liabilities</b>			
Payables	10	46,603	35,422
Provisions	11	-	-
<b>Total current liabilities</b>		<b>46,603</b>	<b>35,422</b>
<b>Total liabilities</b>		<b>46,603</b>	<b>35,422</b>
<b>Net assets</b>		<b>414,149</b>	<b>398,893</b>
<b>Equity</b>			
Share capital	12	656,044	656,044
Retained earnings / (accumulated losses)	13	(241,895)	(257,132)
<b>Total equity</b>		<b>414,149</b>	<b>398,912</b>

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 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		468,407	388,286
Cash payments in the course of operations		(436,239)	(450,455)
Interest received		4,286	4,514
<b>Net cash flows from/(used in) operating activities</b>	<b>14b</b>	<b>36,453</b>	<b>(57,655)</b>
<b>Cash flows from investing activities</b>			
Payment for intangible assets		-	-
Payments for property, plant and equipment		-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	-
Share issue costs		-	(10,394)
<b>Net cash flows from/(used in) financing activities</b>		<b>-</b>	<b>(10,394)</b>
<b>Net increase/(decrease) in cash held</b>		<b>36,453</b>	<b>(68,049)</b>
Cash and cash equivalents at start of year		117,065	185,114
<b>Cash and cash equivalents at end of year</b>	<b>14a</b>	<b>153,518</b>	<b>117,065</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

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

	Note	2010 \$	2009 \$
<b>Share capital</b>			
Balance at start of year		656,044	666,438
Issue of share capital		-	-
Share issue costs		-	(10,394)
<b>Balance at end of year</b>		<b>656,044</b>	<b>656,044</b>
<b>Retained earnings / (accumulated losses)</b>			
Balance at start of year		(257,132)	(202,737)
Profit/(loss) after income tax expense		15,237	(54,395)
Dividends paid	20	-	-
<b>Balance at end of year</b>		<b>(241,895)</b>	<b>(257,132)</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

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For year ended 30 June 2010

## Note 1. Basis of preparation of the financial report

### **(a) Basis of preparation**

Bunyip & District Community Enterprises Ltd ('the Company') is domiciled in Australia. The financial statements for the year ending 30 June 2010 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing **Community Bank**<sup>®</sup> services.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements require judgements, estimates and assumptions to be made that affect the application of accounting policies. Actual results may differ from these estimates.

The financial statements were authorised for issue by the Directors on 28 September 2010.

### **(b) Statement of compliance**

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. 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 2009 financial statements.

#### **Income tax**

Deferred income tax is provided on all temporary differences at the reporting 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 reporting 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.

# Notes to the financial statements continued

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

### **Income tax (continued)**

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.

### **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:

<b>Class of asset</b>	<b>Depreciation rate</b>
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.

### **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.



# Notes to the financial statements continued

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

### **Goods and services tax**

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows 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 reporting 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).

### **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.

# Notes to the financial statements continued

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

### Loans and borrowings

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.

### Share 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.

	2010 \$	2009 \$
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## Note 2. Revenue from ordinary activities

### Operating activities

- services commissions	475,157	360,043
- other revenue	-	-

<b>Total revenue from operating activities</b>	<b>475,157</b>	<b>360,043</b>
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### Non-operating activities:

- interest received	4,286	4,514
- other revenue	-	-

<b>Total revenue from non-operating activities</b>	<b>4,286</b>	<b>4,514</b>
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<b>Total revenue from ordinary activities</b>	<b>479,443</b>	<b>364,557</b>
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## Notes to the financial statements continued

	2010 \$	2009 \$
<b>Note 3. Expenses</b>		
<b>Employee benefits expense</b>		
- wages and salaries	186,040	184,578
- superannuation costs	17,921	17,782
- workers' compensation costs	642	831
- other costs	43,235	41,599
	<b>247,839</b>	<b>244,790</b>
<b>Depreciation of non-current assets:</b>		
- plant and equipment	1,964	2,409
- leasehold improvements	5,416	5,416
<b>Amortisation of non-current assets:</b>		
- intangibles	2,000	2,000
	<b>9,380</b>	<b>9,825</b>
Bad debts	337	131

## 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%	6,787	(19,750)
Add tax effect of:		
- Non-deductible expenses	600	8,329
<b>Current income tax expense</b>	<b>7,387</b>	<b>(11,421)</b>
<b>Income tax expense</b>	<b>7,387</b>	<b>(11,421)</b>
<b>Deferred tax asset</b>		
<b>Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.</b>	<b>(7,387)</b>	<b>11,421</b>

## Notes to the financial statements continued

	2010 \$	2009 \$
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### 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	3,700	3,686
- Completion of feasibility study	-	-
- Accounting work for prospectus	-	-
	<b>3,700</b>	<b>3,686</b>

### Note 6. Cash and cash equivalents

<b>Cash at bank and on hand</b>	<b>153,518</b>	<b>117,065</b>
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### Note 7. Receivables

Trade debtors	46,008	38,707
Other debtors	-	550
	<b>46,008</b>	<b>39,257</b>

### Note 8. Property, plant and equipment

#### Leasehold improvements

At cost	216,603	216,603
Less accumulated depreciation	(14,887)	(9,471)
	<b>201,716</b>	<b>207,132</b>

#### Plant and equipment

At cost	15,955	15,955
Less accumulated depreciation	(7,292)	(5,328)
	<b>8,663</b>	<b>10,627</b>

<b>Total written down amount</b>	<b>210,379</b>	<b>217,759</b>
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## Notes to the financial statements continued

	2010 \$	2009 \$
Note 8. Property, plant and equipment (continued)		
<b>Movements in carrying amounts</b>		
<b>Leasehold improvements</b>		
Carrying amount at beginning of year	207,132	212,548
Additions	-	-
Disposals	-	-
Depreciation expense	(5,416)	(5,416)
<b>Carrying amount at end of year</b>	<b>201,716</b>	<b>207,132</b>
<b>Plant and equipment</b>		
Carrying amount at beginning of year	10,627	13,036
Additions	-	-
Disposals	-	-
Depreciation expense	(1,964)	(2,409)
<b>Carrying amount at end of year</b>	<b>8,663</b>	<b>10,627</b>

## Note 9. Intangible assets

### Franchise fee

At cost	10,000	10,000
Less accumulated amortisation	(6,000)	(4,000)
	<b>4,000</b>	<b>6,000</b>

## Note 10. Payables

Trade creditors	39,901	31,394
Other creditors and accruals	6,702	4,028
	<b>46,603</b>	<b>35,422</b>

## Note 11. Provisions

<b>Employee benefits</b>	-	-
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All branch staff are employees of Bendigo and Adelaide Bank Ltd.

## Notes to the financial statements continued

	2010 \$	2009 \$
<b>Note 12. Share capital</b>		
675,009 Ordinary shares fully paid of \$1 each	675,009	675,009
Less: Equity raising costs	(18,965)	(18,965)
	<b>656,044</b>	<b>656,044</b>

### Note 13. Retained earnings / (accumulated losses)

Balance at the beginning of the financial year	(257,132)	(202,737)
Profit/(loss) after income tax	15,237	(54,395)
Dividends	-	-
<b>Balance at the end of the financial year</b>	<b>(241,895)</b>	<b>(257,132)</b>

### Note 14. Statement of cash flows

#### (a) Cash and cash equivalents

<b>Cash assets</b>	<b>153,518</b>	<b>117,065</b>
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#### (b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

Profit / (loss) after income tax	15,237	(54,395)
Non cash items		
- Depreciation	7,380	7,825
- Amortisation	2,000	2,000
Changes in assets and liabilities		
- (Increase) decrease in receivables	(6,751)	(4,929)
- (Increase) decrease in deferred income tax asset	7,387	(11,421)
- Increase (decrease) in payables	11,199	3,284
<b>Net cash flows from/(used in) operating activities</b>	<b>36,452</b>	<b>(57,636)</b>

## Notes to the financial statements continued

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### 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  
Francis William Regan (resigned 1 October 2009)  
Suzanne Beattie  
Christine Anne Kelly  
Anthony Robin Lock

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.

<b>Directors' shareholdings</b>	<b>2010</b>	<b>2009</b>
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
Francis William Regan (resigned 1 October 2009)	4,000	4,000
Suzanne Beattie	2,000	2,000
Christine Anne Kelly	8,000	8,000
Anthony Robin Lock	-	-

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.

## Notes to the financial statements continued

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### 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.

### 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.

	2010	2009
	\$	\$

### 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:

<b>Profit/(loss) after income tax expense</b>	<b>15,237</b>	<b>(54,395)</b>
<b>Weighted average number of ordinary shares for basic and diluted earnings per share</b>	<b>675,009</b>	<b>675,009</b>



# Notes to the financial statements continued

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## 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 reporting date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The Company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2010	2009
	\$	\$
Cash assets	153,518	117,065
Receivables	46,008	39,257
	<b>199,526</b>	<b>156,322</b>

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

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 \$
<b>30 June 2010</b>					
Payables	46,603	(46,603)	(46,603)	-	-
	<b>46,603</b>	<b>(46,603)</b>	<b>(46,603)</b>	-	-
<b>30 June 2009</b>					
Payables	35,422	(35,422)	(35,422)	-	-
	<b>35,422</b>	<b>(35,422)</b>	<b>(35,422)</b>	-	-

#### (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	
	2010 \$	2009 \$
<b>Fixed rate instruments</b>		
Financial assets	91,900	106,035
Financial liabilities	-	-
	<b>91,900</b>	<b>106,035</b>

## Notes to the financial statements continued

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Note 22. Financial risk management (continued)

### (c) Market risk (continued)

Sensitivity analysis (continued)

	Carrying amount	
	2010	2009
	\$	\$
<b>Variable rate instruments</b>		
Financial assets	61,618	11,030
Financial liabilities	-	-
	<b>61,618</b>	<b>11,030</b>

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 2009 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 Statement of Financial Position. The Company does not have any unrecognised financial instruments at year 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 Statement of Financial Position.

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

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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 2010 can be seen in the Statement of Comprehensive Income.

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

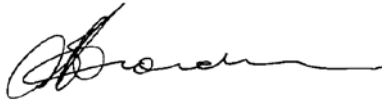
# Directors' declaration

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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 2010 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 28 September 2010.

# Independent audit report

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## Richmond Sinnott & Delahunty Chartered Accountants



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

### **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BUNYIP & DISTRICT COMMUNITY ENTERPRISES LIMITED**

#### **SCOPE**

The financial report comprises the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Bunyip & District Community Enterprises Limited, for the year ended 30 June 2010.

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.

## Independent audit report continued

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### ***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 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 2010 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: 24 September 2010









Bunyip & District **Community Bank**<sup>®</sup> Branch  
18 Main Street, Bunyip VIC 3815  
Phone: (03) 5629 6091 Fax: (03) 5629 6102

Franchisee: Bunyip & District Community Enterprises Limited  
18 Main Street, Bunyip VIC 3815  
Phone: (03) 5629 6091 Fax: (03) 5629 6102  
ABN: 42 124 125 515

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Bendigo and Adelaide Bank Limited,  
The Bendigo Centre, Bendigo VIC 3550  
ABN 11 068 049 178. AFSL 237879.  
(BMPAR10058) (09/10)