

annual report 2010



Byford & Districts

Community Development Services Limited

ABN 49 105 289 450

Byford & Districts **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2010



Well here we are in our 5th year at the Byford & Districts **Community Bank**[®] Branch and I'm very happy to say that we are still doing well despite the financial woes of the world. It is wonderful to see at each months meeting that the number of customers continues to grow as does our total book value which is now up around the \$75 million mark. This is testament to the hard work of our Manager and staff and the faith that our customers have in our **Community Bank**[®] branch.

This year has seen a few changes to our Board with the retirement of foundation Board Member Mr John Turner, who has decided that caravanning around Australia sounds like a good way to celebrate retirement. We wish to take this opportunity to publicly thank John for his many years of dedication to the Board and community, he was never afraid to question decisions and offer alternative solutions, we shall miss him at our meetings. We have been lucky to acquire Mrs Kim Petersen as a replacement Board member. Kim comes to the Board with a wealth of community knowledge as a hard working member of the Jarrahdale Community Association and is also now an SJ Shire Councillor. With her knowledge of working with community groups we feel that she will be a very valuable Board member.

Our contributions to the community over the past five years have topped \$130,000 to date which is a great achievement in our eyes and one we hope the shareholders are as equally excited about. Our major contribution this year was to partner the SJ Shire in their Community Grants program. We decided to match the Shire's contribution of \$20,000 so that there would be a pool of \$40,000 this year for our local community groups to apply for. In total there were 30 applications for funding for various projects in our community and after a joint decision making process, every group has received some if not all the funds that they requested which is a very rewarding outcome.

We have also continued to sponsor local sporting groups and make donations towards different community events and groups as the year has gone on and I believe that because of our continued support in the community, this is what is bringing more business to our Company, if it's good for community it's good for business!

Our vision for the future is to work to bring together local business, community groups and local citizens of the SJ Shire to work together in a cohesive way that will be beneficial for our local community and our local Byford & Districts **Community Bank**[®] Branch, as we not only provide banking services but also community leadership which is a very important part of being a successful **Community Bank**[®] branch.

Many thanks for your support over the past five years and here's to an even more successful future.

A handwritten signature in black ink, appearing to be 'Kim Simpson'.

Kim Simpson
Chairman

Manager's report

For year ending 30 June 2010

Hard to believe we celebrated our 5th birthday earlier in the year and are now quickly approaching our 6th year. It has been another interesting financial year which has shown continued uncertainty within various areas of our economy. The previous year we saw a slowdown in our growth and this has continued in this financial year. However, we have still managed to grow albeit with a reduced percentage.

We did experience growth in both areas of the business and as at 27/06/2010 we had achieved a total business portfolio of \$75.88 million, with growth of \$6.18 million over the preceding 12 month period. This can be broken down into a total of \$45.27 million in deposits with minimal growth of \$0.42 million and a lending total of \$30.60 million, with growth of \$5.74 million respectively. Our account numbers also grew with 410 new accounts and a total of 5,179 accounts held. I am especially happy with the lending growth, as we achieved a growth of approximately 23% on the total lending book from last year. Considering the economic climate over the last twelve months, this is a fantastic result.

I am also happy to report that we now have two alternative ATM's locally for our customers to use. One is placed at Armadale Central and the other is at the Armadale-Kelmscott Hospital. We are also in the process of getting our first agency operational in Mundijong, which will provide further access points for our customers.

We continue to provide financial services for new and existing customers with an added high level of service. Along with this we have supported many local community groups within the shire. Financial services and support of the community are major factors in our mandate and the continued growth in tough economic circumstances further highlights the success of this **Community Bank**[®] branch.

In summary, I must thank the many customers for their support, the staff for their continued efforts and the board for their support and dedication to our community.



Tony Greipl
Branch Manager

Sponsorship

During the 2009/2010 financial year the following were some of the major recipients of support:

Serpentine Horse & Pony Club Annual Show	\$750
Graceford Hostel towards arts & crafts supplies	\$500
Jarrahdale Axemen's Club - Prizes Jarrahdale 1500 Log Chop	\$500
Country Women's Association to install blinds in meeting rooms	\$590
Serpentine Jarrahdale Shire, Thank A Volunteer Day and Emergency Services Day	\$1,550
Jarrahdale Playgroup shade sails	\$500
Safety House Association of WA	\$520
Centrals Junior Football Club - Sponsorship	\$300
Peel Cycling Club Annual Race Day	\$500
Serpentine Jarrahdale Landcare Inc towards the purchase of their own ute	\$10,000
Byford Country Club Ladies Gala Day	\$250
Jarrahdale Community Association for Forest Green Reserve	\$3,190
Byford Playgroup shade sails	\$2,142
Serpentine Jarrahdale RSL Sub Branch towards purchase of a ute	\$6,750



◀ Kristy Gregory from SJ Landcare with Kim Simpson.

▶ Happy sponsorship cheque recipients.



Sponsorship continued

- ▶ Byford & Districts **Community Bank**[®] Branch staff and Board members.



- ◀ John Calvin Christian College School Concert Band.

- ▶ Tom and Clive from Mundijong Centrals Sportsman Club.



- ◀ Karen with local RSL members.

- ▶ Kim Simpson and Piggy presenting a cheque to Telethon.



Directors

To provide a business that supports our community and to encourage a community that supports our business.



Michael Charles

Beaverstock

Director

Mick has lived in Byford for the past 6 years with his wife Amanda and two sons. He owns a Consulting Engineering

firm based in East Perth servicing mining and land development sectors. Prior to this he was employed as Director Engineering at SJ Shire. Mick and his family are active in a number of community groups including Serpentine Jarrahdale Grammar School Board, Byford Primary School P&C and Byford Volunteer Fire Brigade



Peter John Eva

Director

Peter is a long term local resident of Byford, he is a retired self employed business man.



Raymond John Marchetti

Treasurer

Ray, with his wife and five children have lived in Byford for 14 years. After owning the local newsagency and post-office for 10 years he has since

returned to his profession as an auditor. Ray is also the company treasurer.



Kim Michaela Simpson

Chairperson

As a resident of the SJ Shire for the last 19 years and having owned businesses in the area during most of that period, I have spent much time

working in and with the community. As a mother of 2 daughters and wife to the local member of Parliament I find myself on various school and sporting committees and boards. I have a strong passion for our **Community Bank**[®] branch and our community and a desire to see the two working hand in hand.



Kim Petersen

Director

Kim has lived in Jarrahdale for the last 3 years after spending 16 years in Rockingham with her family. She moved to Jarrahdale to provide her five

children with a better lifestyle and more freedom. Since her time here Kim has initiated and worked hard on building the new Forest Green recreational facility in Jarrahdale in conjunction with the JCA (Jarrahdale Community Association) and Serpentine Jarrahdale Shire. She is also the Co-ordinator of the Jarrahdale Youth Group. Kim is a newly elected councillor of the Central Ward and a Director of the Byford **Community Bank**[®] Branch. She is on many committees including the Jarrahdale Heritage Park and Mundijong Community Forum. Kim was recently appointed as an Advisory Board member of the Bendigo and Adelaide Bank Ltd website known as PlanBig. Kim is a year one teacher in Rockingham part time. She has an extremely busy life but gets an enormous amount of joy out of helping to build the communities within the SJ Shire.



Edward William

Eikelboom

Secretary

Ed has lived in Byford for over 20 years and moved to Byford to get a better lifestyle for his family. He is married and

has 5 children. Ed has an accounting practice in Kelmscott and brings his accounting knowledge and experience to the board. Ed is also the Company Secretary.

Directors' report

For the financial year ended 30 June 2010

Your directors submit the financial statements 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:

Kim Michaela Simpson

Chairperson

Age: 40

Occupation: Self Employed Travel Agent

Edward William Eikelboom

Secretary

Age: 45

Occupation: Accountant

Raymond John Marchetti

Treasurer

Age: 51

Occupation: Accountant/Farmer

Peter John Eva

Director

Age: 65

Occupation: Business Proprietor

John Arthur Turner

(Resigned 26 August 2010)

Director

Age: 60

Occupation: Retired

Jan Harmanous Hidding

(Resigned 28 October 2009)

Director

Age: 57

Occupation: Business Manager

Michael Charles Beaverstock

(Appointed 28 October 2009)

Director

Age: 41

Occupation: Civil Engineer

Kim Louise Petersen

(Appointed 24 June 2010)

Director

Age: 42

Occupation: Primary School Teacher

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

No directors have material interests in contracts or proposed contracts with the company.

Company Secretary

The company secretary is Edward Eikelboom. Edward was appointed to the position of secretary on 15th August 2006. Edward is 45 and currently works as an Accountant.

Principal Activities

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

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

Directors' report continued

Operating Results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
	130,119	84,863

Remuneration Report

Remuneration received by directors during the financial year were as follows:

	Position Held	Remuneration Received
Kim Michaela Simpson	Chairperson	\$4,000
Edward William Eikelboom	Secretary	\$3,000
Raymond John Marchetti	Treasurer	\$3,000

Fees and payments to non executive directors reflect the demands which are made on and the responsibilities of the directors. Non executive directors' fees are reviewed annually by the board. The chairman's, secretary's and treasurer's fees are determined independently to the fees of non executive directors. All director remuneration is inclusive of committee fees.

No other director of the company receives any remuneration for services provided as director to the company.

Dividends	Year Ended 30 June 2010	
	Cents	\$
Dividends paid in the year:	5.00	33,868

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 or the financial statements.

Matters Subsequent to the End of the Financial Year

Since the end of the financial year on the 31 August 2010 the company has opened an agency in Mundijong. This may 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 facilitating banking services to the community.

Directors' report continued

Environmental Regulation

The company is not subject to any significant environmental regulation.

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 except as disclosed in note 20 to the financial statements. 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 manager 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 Meetings

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

	Board Meetings Attended	
	Eligible	Attended
Kim Michaela Simpson	10	10
Edward William Eikelboom	10	10
Raymond John Marchetti	10	9
Peter John Eva	10	9
John Arthur Turner	10	9
Jan Harrmanous Hidding	3	1
Michael Charles Beaverstock	7	5
Kim Louise Petersen	1	0

Non Audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

Directors' report continued

Non Audit Services (continued)

The board of directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

Signed in accordance with a resolution of the board of directors at Byford, Western Australia on 30 September 2010.



Kim Michaela Simpson,
Chairman



Raymond John Marchetti,
Director

Auditor's independence declaration



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Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the directors of Byford & Districts Community Development Services Limited

I declare, that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2010 there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 30th day of September 2010

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of Comprehensive Income for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenues from ordinary activities	4	871,057	744,306
Employee benefits expense		(367,789)	(334,780)
Charitable donations, sponsorship, advertising and promotion		(50,765)	(69,460)
Occupancy and associated costs		(55,078)	(52,924)
Systems costs		(27,273)	(27,680)
Depreciation and amortisation expense	5	(28,513)	(26,782)
Finance costs	5	(1,974)	(2,985)
General administration expenses		(149,986)	(105,882)
Profit before income tax expense		189,679	123,813
Income tax expense	6	(59,560)	(38,950)
Profit after income tax expense		130,119	84,863
Total comprehensive income for the year		130,119	84,863
Earnings per share (cents per share)		c	c
- basic for profit for the year	23	19.21	12.53
- dividends paid per share	21	5.00	8.00

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet as at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	596,755	599,090
Trade and other receivables	8	87,958	72,107
Total Current Assets		684,713	671,197
Non-Current Assets			
Property, plant and equipment	9	138,635	141,547
Intangible assets	10	58,224	6,000
Deferred tax assets	11	8,902	7,553
Total Non-Current Assets		205,761	155,100
Total Assets		890,474	826,297
LIABILITIES			
Current Liabilities			
Trade and other payables	12	39,709	32,741
Current tax liabilities	11	1,947	40,072
Borrowings	13	11,447	11,447
Provisions	14	21,072	19,039
Total Current Liabilities		74,175	103,299
Non-Current Liabilities			
Borrowings	13	8,845	18,318
Provisions	14	19,515	12,992
Total Non-Current Liabilities		28,360	31,310
Total Liabilities		102,535	134,609
Net Assets		787,939	691,688
Equity			
Issued capital	15	647,456	647,456
Retained earnings	16	140,483	44,232
Total Equity		787,939	691,688

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of Changes in Equity for the year ended 30 June 2010

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2008	647,456	13,558	661,014
Total comprehensive income for the year	-	84,863	84,863
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(54,189)	(54,189)
Balance at 30 June 2009	647,456	44,232	691,688
Balance at 1 July 2009	647,456	44,232	691,688
Total comprehensive income for the year	-	130,119	130,119
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(33,868)	(33,868)
Balance at 30 June 2010	647,456	140,483	787,939

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of Cashflows for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash Flows From Operating Activities			
Receipts from customers		834,316	713,151
Payments to suppliers and employees		(637,108)	(591,223)
Interest received		18,761	42,262
Interest paid		(1,974)	(2,985)
Income taxes paid		(99,033)	(34,774)
Net cash provided by operating activities	17	114,962	126,431
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(10,556)	(5,046)
Payments for intangible assets		(67,269)	-
Net cash used in investing activities		(77,825)	(5,046)
Cash Flows From Financing Activities			
Repayment of borrowings		(9,473)	(7,475)
Dividends paid		(29,999)	(54,189)
Net cash used in financing activities		(39,472)	(61,664)
Net increase/(decrease) in cash held		(2,335)	59,721
Cash and cash equivalents at the beginning of the financial year		599,090	539,369
Cash and cash equivalents at the end of the financial year 7(a)		596,755	599,090

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies

a) Basis of Preparation

These general purpose financial statements has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standard Boards, and the Corporations Act 2001.

Compliance with IFRS

These financial statements and notes comply with IFRS International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Financial statement presentation

The company has applied revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The company has elected to present all items of income and expense recognised in the period in a single statement of comprehensive income.

Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative figures

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

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**[®] branch at Byford, Western Australia.

The branch operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the **Community Bank**[®] branch on behalf of Bendigo Bank, however all transactions with customers conducted through the **Community Bank**[®] branches are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

Bendigo Bank provides significant assistance in establishing and maintaining the **Community Bank**[®] branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fit out of the **Community Bank**[®] branch;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

b) Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

c) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

d) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

f) Trade Receivables and Payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. 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.

g) Property, Plant and Equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements	40 years
- plant and equipment	2.5 - 40 years
- furniture and fittings	4 - 40 years

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

h) Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

i) Payment Terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

j) Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

k) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

k) Financial Instruments (continued)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

m) 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.

n) Contributed Equity

Ordinary shares are 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.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

p) 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 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 taxation authority are classified as operating cash flows.

Note 2. Financial Risk Management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

Notes to the financial statements continued

Note 2. Financial Risk Management (continued)

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(vi) Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the balance sheet.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the distribution limit.

- (i) the distribution limit is the greater of:
 - (a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
 - (b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period; and
- (ii) the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 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.

Note 3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Notes to the financial statements continued

Note 3. Critical Accounting Estimates and Judgements (continued)

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the statement of comprehensive income.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired branch/agency at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The calculations require the use of assumptions.

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements continued

Note 3. Critical Accounting Estimates and Judgements (continued)

Impairment of assets (continued)

Recoverable amount is the higher 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

	2010 \$	2009 \$
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Note 4. Revenue from Ordinary Activities

Operating activities:

- services commissions	845,260	703,717
- other revenue	735	1,193
Total revenue from operating activities	845,995	704,910

Non-operating activities:

- interest received	25,062	39,396
Total revenue from non-operating activities	25,062	39,396
Total revenues from ordinary activities	871,057	744,306

Note 5. Expenses

Depreciation of non-current assets:

- plant and equipment	4,892	6,432
- leasehold improvements	4,284	4,058
- motor vehicle	4,292	4,292

Notes to the financial statements continued

	Note	2010 \$	2009 \$
Note 5. Expenses (continued)			
Amortisation of non-current assets:			
- franchise agreement		7,508	12,000
- franchise renewal fee		7,537	-
		28,513	26,782
Finance costs:			
- interest paid		1,974	2,985
Bad debts		1,290	146

Note 6. Income Tax Expense

The components of tax expense comprise:

- Current tax		60,909	40,072
- Movement in deferred tax		(1,349)	(1,123)
- Under/(Over) provision of tax in the prior period		-	1
		59,560	38,950

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

Operating profit		189,679	123,813
Prima facie tax on profit from ordinary activities at 30%		56,903	37,143
Add tax effect of:			
- non-deductible expenses		4,451	3,600
- timing difference expenses		1,349	1,123
- other deductible expenses		(1,794)	(1,794)
		60,909	40,072
Movement in deferred tax	11	(1,349)	(1,123)
Under/(Over) provision of income tax in the prior year		-	1
		59,560	38,950

Notes to the financial statements continued

	2010 \$	2009 \$
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Note 7. Cash and Cash Equivalents

Cash at bank and on hand	66,755	49,090
Term deposits	530,000	550,000
	596,755	599,090

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

Note 7.(a) Reconciliation of cash

Cash at bank and on hand	66,755	49,090
Term deposits	530,000	550,000
	596,755	599,090

Note 8. Trade and Other Receivables

Trade receivables	70,228	63,078
Other receivables & accruals	11,302	
Prepayments	6,428	9,029
	87,958	72,107

Note 9. Property, Plant and Equipment

Plant and equipment

At cost	62,351	62,351
Less accumulated depreciation	(33,892)	(28,999)
	28,459	33,352

Leasehold improvements

At cost	107,493	96,936
Less accumulated depreciation	(22,896)	(18,612)
	84,597	78,324

Notes to the financial statements continued

	2010 \$	2009 \$
Note 9. Property, Plant and Equipment (continued)		
Motor vehicle		
At cost	34,339	34,339
Less accumulated depreciation	(8,760)	(4,468)
	25,579	29,871
Total written down amount	138,635	141,547
Movements in carrying amounts:		
Plant and equipment		
Carrying amount at beginning	33,352	34,738
Additions	-	5,046
Less: depreciation expense	(4,893)	(6,432)
Carrying amount at end	28,459	33,352
Leasehold improvements		
Carrying amount at beginning	78,324	82,382
Additions	10,557	-
Less: depreciation expense	(4,284)	(4,058)
Carrying amount at end	84,597	78,324
Motor vehicles		
Carrying amount at beginning	29,871	34,163
Less: depreciation expense	(4,292)	(4,292)
Carrying amount at end	25,579	29,871
Total written down amount	138,635	141,547

Notes to the financial statements continued

	2010 \$	2009 \$
Note 10. Intangible Assets		
Franchise fee		
At cost	71,211	60,000
Less: accumulated amortisation	(61,507)	(54,000)
	9,704	6,000
Renewal processing fee		
At cost	56,057	-
Less: accumulated amortisation	(7,537)	-
	48,520	-
Total written down amount	58,224	6,000

Note 11. Tax

Current:		
Income tax payable	1,947	40,072
Non-Current:		
Deferred tax assets		
- accruals	116	1,123
- employee provisions	12,177	6,431
- over provision in respect to prior years	-	(1)
	12,293	7,553
Deferred tax liability		
- accruals	3,391	-
	3,391	-
Net deferred tax asset	8,902	7,553
Movement in deferred tax charged to statement of comprehensive income	(1,349)	(1,123)

Notes to the financial statements continued

	Note	2010 \$	2009 \$
Note 12. Trade and Other Payables			
Trade creditors		11,944	8,149
Other creditors & accruals		13,007	19,813
Dividends payable		14,758	4,779
		39,709	32,741

Note 13. Borrowings

Current:

Finance lease	18	11,447	11,447
		11,447	11,447

Non-Current:

Finance lease	18	8,845	18,318
		8,845	18,318

Note 14. Provisions

Current:

Provision for annual leave		21,072	19,039
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Non-Current:

Provision for long service leave		19,515	12,992
Number of employees at year end		6	6

Note 15. Contributed Equity

677,360 Ordinary shares fully paid (2009: 677,360)		677,360	677,360
Less: equity raising expenses		(29,904)	(29,904)
		647,456	647,456

Notes to the financial statements continued

Note 15. Contributed Equity (continued)

Rights attached to shares

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank**[®] have the same ability to influence the operation of the company.

(b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

(c) Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Notes to the financial statements continued

Note 15. Contributed Equity (continued)

Prohibited shareholding interest (continued)

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

	2010 \$	2009 \$
Note 16. Retained Earnings		
Balance at the beginning of the financial year	44,232	13,558
Net profit from ordinary activities after income tax	130,119	84,863
Dividends paid or provided for	(33,868)	(54,189)
Balance at the end of the financial year	140,483	44,232

Note 17. Statement of Cashflows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities

Profit from ordinary activities after income tax	130,119	84,863
Non cash items:		
- depreciation	13,468	14,782
- amortisation	15,045	12,000

Notes to the financial statements continued

	2010 \$	2009 \$
Note 17. Statement of Cashflows (continued)		
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(15,851)	13,180
- (increase)/decrease in other assets	(1,348)	(1,122)
- increase/(decrease) in payables	3,098	(5,296)
-increase/(decrease) in provisions	8,556	2,726
-increase/(decrease) in current tax liabilities	(38,125)	5,298
Net cashflows provided by operating activities	114,962	126,431

Note 18. Leases

Finance lease commitments

Payable - minimum lease payments		
- not later than 12 months	11,447	11,447
- between 12 months and 5 years	10,493	21,940
- greater than 5 years	-	-
Minimum lease payments	21,940	33,387
Less future finance charges	(1,648)	(3,622)
Present value of minimum lease payments	20,292	29,765

The finance lease is for a motor vehicle is repayable monthly with the final instalment due May 2012. Interest is recognised at an average rate of 9.61%.

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments		
- not later than 12 months	34,704	24,328
- between 12 months and 5 years	89,651	-
- greater than 5 years	-	-
	124,355	24,328

The lease for the branch premises is a 5 year lease with 2 further 5 year options to extend available. The second option was exercised in February 2010. Rent is payable monthly in advance and is subject to annual CPI increases.

Notes to the financial statements continued

	2010 \$	2009 \$
Note 19. Auditors' Remuneration		
Amounts received or due and receivable by the auditor of the company for:		
- audit & review services	2,200	3,200
- non audit services	1,888	1,380
	4,088	4,580

Note 20. Director and Related Party Disclosures

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

Kim Michaela Simpson
Edward William Eikelboom
Raymond John Marchetti
Peter John Eva
John Arthur Turner
Jan Harrmanous Hidding
Michael Charles Beaverstock
Kim Louise Petersen

No director or related entity has entered into a material contract with the company. Director's fees have been paid as disclosed in note 22 - key management personnel disclosures .

Directors Shareholdings	2010	2009
Kim Michaela Simpson	3,001	3,001
Edward William Eikelboom	2,500	2,500
Raymond John Marchetti	-	-
Peter John Eva	1,000	1,000
John Arthur Turner	10,001	10,001
Jan Harrmanous Hidding	-	-
Michael Charles Beaverstock	200	N/A
Kim Louise Petersen	N/A	N/A

There was no movement in directors shareholdings during the year.

Notes to the financial statements continued

	2010 \$	2009 \$
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Note 21. Dividends Paid or Provided

a. Dividends paid during the year

Current year interim dividend		
100% (2009: 100%) franked dividend - 5 cents (2009: 8 cents) per share	33,868	54,188
The tax rate at which dividends have been franked is 30% (2009: 30%). Dividends proposed will be franked at a rate of 30% (2009: 30%).		

b. Franking account balance

Franking credits available for subsequent reporting periods are:		
- franking account balance as at the end of the financial year		
- franking credits that will arise from payment of income tax payable as at the end of the financial year	1,947	40,072
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year	-	-
Franking credits available for future financial reporting periods:	97,099	50,704
- franking debits that will arise from payment of dividends proposed or declared before the financial report was authorised for use but not recognised as a distribution to equity holders during the period	-	-
Net franking credits available	97,099	50,704

Note 22. Key Management Personnel Disclosures

Remuneration received by directors during the financial year were as follows:

	Position Held	Remuneration Received
Kim Michaela Simpson	Chairperson	\$4,000
Edward William Eikelboom	Secretary	\$3,000
Raymond John Marchetti	Treasurer	\$3,000

Fees and payments to non executive directors reflect the demands which are made on and the responsibilities of the directors. Non executive directors' fees are reviewed annually by the board. The chairman's, secretary's and treasurer's fees are determined independently to the fees of non executive directors. All director remuneration is inclusive of committee fees.

No other director of the company receives any remuneration for services provided as director to the company.

Notes to the financial statements continued

	2010	2009
	\$	\$

Note 23. Earnings Per Share

(a) Profit attributable to the ordinary equity holders of the company

used in calculating earnings per share	130,119	84,863
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	2010	2009
	Number	Number

(b) Weighted average number of ordinary shares used as the denominator

in calculating basic earnings per share	677,360	677,360
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Note 24. Events Occurring After the Balance Sheet Date

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

Note 25. Contingent Liabilities

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

Note 26. Segment Reporting

The economic entity operates in the service sector where it facilitates **Community Bank**[®] services in Byford and district, Western Australia pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 27. Registered Office/Principal Place of Business

The registered office and principal place of business is:

Registered Office	Principal Place of Business
6/837 South Western Highway	6/837 South Western Highway
Byford WA 6122	Byford WA 6122

Note 28. Financial Instruments

Net Fair Values

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

Notes to the financial statements continued

Note 28. Financial Instruments (continued)

Credit Risk

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

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

Interest Rate Risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Assets												
Cash and cash equivalents	66,755	49,090	530,000	550,000	-	-	-	-	-	-	4.12	5.97
Receivables	-	-	-	-	-	-	-	-	70,228	58,077	N/A	N/A
Financial Liabilities												
Interest bearing liabilities	-	-	11,447	11,447	8,845	18,318	-	-	-	-	9.61	9.61
Payables	-	-	-	-	-	-	-	-	37,490	30,523	N/A	N/A

Directors' declaration

In accordance with a resolution of the directors of Byford & Districts Community Development Services Limited, we 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 its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; 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.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the board of directors.



Kim Michaela Simpson,
Chairman



Raymond John Marchetti,
Director

Signed on the 30th of September 2010.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT

To the members of Byford & Districts Community Development Services Limited

We have audited the accompanying financial report of Byford & Districts Community Development Services Limited, which comprises the balance sheet as at 30 June 2010, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independent audit report continued

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion on the Financial Report

In our opinion:

- 1) The financial report of Byford & Districts Community Development Services Limited is in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 30 June 2010 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2) The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Byford & Districts Community Development Services Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.



DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 30th day of September 2010



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