

annual report 2009



Carrum Downs Financial
Services Limited
ABN 89 088 990 470

Carrum Downs **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2009

This year marks our 10th birthday, a remarkable feat given we came into being with a community meeting and steering committee of community representatives without any banking experience.

The establishment of Carrum Downs **Community Bank**[®] Branch came about due to our community being abandoned by the major banks therefore no banking facilities. With the vision of Rob Hunt and the Board of Bendigo and Adelaide Bank Ltd the **Community Bank**[®] concept was born of communities in rural Victoria and throughout Australia where small and medium businesses and families had to travel many kilometers to do their daily banking.

The Rob Hunt vision was not only to return banking to local communities but also to share the profits derived from banking with these communities, the beginning of putting the 'U' into banking, as the successful national brand campaign says. We have not only established a successful and profitable banking business but the community has benefited enormously from sharing in those profits.

This Company and the successes we have achieved would not be possible without the commitment made by our shareholders over ten years ago. I thank you for your confidence in Bendigo and Adelaide Bank Ltd's **Community Bank**[®] model. We have delivered on our initial plan, which was to bring banking back to Carrum Downs, but the benefits we have provided to the local community over the years has been made possible because of your commitment. We have over the ten years to 30 June 2009 provided \$752,314.08 in donations to local organisations.

It is a pleasure that I report that for the year ended 30 June 2009 we have made another profit despite the Global Financial Crisis. Our profits for the year are down on previous years but this is not due to any decrease in our business but more importantly it is due to our sizable donations to the local community and the community at large.

During the year we maintained our dividend level to our shareholders where shareholders received two fully franked dividends that totaled 28 cents. To the year ended 30 June 2009 our shareholders have now received fully franked dividends totaling \$518,270 or \$1.50 per share.

We have finally delivered on our commitment of providing a Search & Rescue vehicle for the Frankston State Emergency Service, and with the fires of Black Saturday, your Board reacted swiftly in providing \$100,000 to the Red Cross Bushfire Appeal. In total we provided \$434,822.93 in donations to local community groups and to the community at large.

Chairman's report continued

Our business continues to go from strength to strength. At the end of the financial year our total book value exceeded \$111 million and continues to grow. This is not possible without the excellent work of our staff.

I would like to acknowledge their work and congratulate our Manager Mick Spruhan, and the girls behind the counter - Liz Dawe, Belinda Wood, Teresa Winton, Julianne Fagan, Anne Johnstone, Lesley Kennedy and Kathryn Churchill. Kathryn has since left us to have a baby and we have been joined by Lauren Pettit.

In closing I would also like to pay tribute to my fellow Directors who have continued to perform their duties with diligence and maintain their commitment to the ongoing success of Carrum Downs Financial Services Limited.



Gary J. Rowe

Chairman

Manager's report

For year ending 30 June 2009

It is pleasing to report that for the last financial year we have grown our book by a further \$14.122 million and now have a total book balance of \$111.116 million.

Our account numbers also increased from 10,595 to 10,833.

This year saw our new ATM at the Ballarto Road Shopping Centre complete its first full year of operation. It is processing an average of 5,500 transactions each month. We have also stepped up our use of Bendigo and Adelaide Bank Ltd Financial Planners, Business Bankers and Insurance specialists.

It is amazing how many customers don't realise we can provide all of their banking requirements, such as Insurance and Financial Planning.

During 2009, one of our staff members Kathryn went on maternity leave. She has decided to not return to work which has provided us with the opportunity of employing a youth trainee as part of a region-wide project that Bendigo and Adelaide Bank Ltd has become involved in. Lauren has been with us for some months now and is proving to be a real asset.

Each year I report the same, but it needs to be stated that our growth can be attributed in no small way to the service provided by the staff at Carrum Downs. So, again I say to all the staff, Liz, Belinda, Anne, Julie, Lesley, Teresa and Lauren, thank you for your support and tireless efforts.

Finally, it is through your support that we are able to support our wider community, so I would encourage you all to encourage your friends and family to support your **Community Bank**[®] branch.



Mick Spruhan
Branch Manager

Directors' report

For year ending 30 June 2009

Since the start of the financial year there has been no change in Directors. The number of Directors' meetings attended by each of the Directors of the Company during the period were:

Number of meetings held:

Directors' meetings	12
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Number of meetings attended:

Gary Rowe	12
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Lindsay Wells	12
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Jason Pater	12
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Christine Grayland	11
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Debbie Taylor	5
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Greg Sugars	10
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Trevor Collins	10
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The profit of the Company for the period after providing for income tax amounted to \$61,988.36.

A review of the operations of the Company during the financial year and the results of those operations are as follows:-

The principal activities of the Company during the financial year were: - Operation of **Community Bank®** branch Franchise in Carrum Downs.

No significant change in the nature of these activities occurred during the year. The Company will continue with its policy of providing banking services to the community.

A dividend of \$0.28 per share has been paid.

No Options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No indemnities have been given, but insurance premiums have been paid, during or since the end of the financial year, for any person who is or has been an Officer of the Company.

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



Gary Rowe
Director



Lindsay Wells
Director

Dated: 24 August 2009.

Financial statements

Detailed statement of financial performance For the year ended 30 June 2009

	2009 \$	2008 \$
Income		
Commissions received	200,945.09	147,417.31
Gross margin income	792,653.56	820,826.92
Atm revenue	81,558.40	69,474.09
Interest received	53,111.53	42,108.00
Other income	218,842.94	213,564.05
Marketing development fund	43,000.13	50,000.09
Total income	1,390,111.65	1,343,390.46
Expenses		
Accountancy	20,656.36	20,542.49
Advertising and promotion	31,572.41	5,131.07
Audit fees	4,921.72	5,330.80
Bad debts	1,568.72	3,027.01
Bank fees and charges	676.54	2,013.10
Cash delivery	883.98	
ATM - cash delivery	27,315.19	21,317.81
Cleaning/rubbish removal	8,553.00	8,316.00
Computer equipment running cost	14,774.36	14,237.08
Computer equipment support cost	7,248.77	6,642.99
Delivery	8,643.36	8,453.76
Depreciation - plant	29,087.17	25,595.49
Directors fees	99,956.25	100,298.80
Donations	426,137.93	129,980.98
Electricity	2,737.09	2,436.27
Entertainment	4,346.75	
Filing fees	1,000.00	968.18
Fringe benefits tax	11.23	
General expenses	3,638.56	721.90
ATM - discrepancies	(3,642.72)	8,286.36

The accompanying notes form part of these financial statements.

Financial statements continued

	2009 \$	2008 \$
Expenses (continued)		
Insurance	14,834.77	14,924.19
Insurance - Workcover	1,074.00	2,052.00
Interest - Australia	31.59	153.77
Journals & periodicals		188.78
Lease payments	10,898.19	10,510.92
ATM leasing	8,825.49	6,498.38
Legal fees	528.42	1,447.26
Postage	3,640.00	3,702.17
Printing & stationery	14,243.12	14,486.90
ATM consumables	274.78	255.93
Procedural errors	1,666.98	(225.90)
Rent on land & buildings	62,131.16	60,325.90
Rental - offsite ATM	8,762.84	
Repairs & maintenance	6,247.85	720.07
ATM maintenance	3,961.00	2,532.19
Salaries - ordinary	380,445.42	359,822.06
Search fees & credit checks	2,053.95	2,211.69
Security	2,135.03	2,927.36
Secretary fees		1,454.55
Share registry	1,942.00	742.00
Small business tax break	4,096.39	
Sponsorship	8,685.00	14,150.00
Staff amenities	1,137.08	1,120.51
Staff training	9,072.90	17,120.54
Subscriptions	2,411.37	2,024.99
Superannuation	39,548.90	39,649.57
Switching fees - ATM	11,019.21	13,873.50
Telephone	7,964.65	8,898.11
Travel, accom & conference	2,906.83	3,375.53
Total expenses	1,300,625.59	948,243.06
Profit from ordinary activities before income tax	89,486.06	395,147.40

The accompanying notes form part of these financial statements.

Financial statements continued

Detailed statement of financial performance - by nature For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Classification of expenses by nature			
Revenues from ordinary activities	2	1,390,111.65	1,343,390.46
Borrowing costs expense	3	(19,755.27)	(17,163.07)
Depreciation and amortisation expenses	3	(29,087.17)	(25,595.49)
Other expenses from ordinary activities		(1,251,783.15)	(905,484.50)
Profit from ordinary activities before income tax	3	89,486.06	395,147.40
Income tax expense relating to ordinary activities	4	(27,497.70)	(119,050.43)
Net profit attributable to members of the Company		61,988.36	276,096.97
Total changes in equity other than those resulting from transactions with owners as owners			
Opening retained profits		623,544.16	423,459.39
Net profit attributable to members of the Company		61,988.36	276,096.97
Dividends recognised as a liability or paid if not previously recognised as a liability		(96,742.80)	(76,012.20)
Closing retained profits	6	588,789.72	623,544.16

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash assets	7	758,233.46	877,145.58
Receivables	8	124,352.61	109,806.26
Total current assets		882,586.07	986,951.84
Non-current assets			
Property, plant and equipment	9	111,093.98	131,988.38
Total non-current assets		111,093.98	131,988.38
Total assets		993,680.05	1,118,940.22
Current liabilities			
Payables	10	36,476.41	35,218.80
Current tax liabilities	11	17,808.13	113,991.86
Provisions	12	999.40	675.40
Total current liabilities		55,283.94	149,886.06
Total liabilities		55,283.94	149,886.06
Net assets		938,396.11	969,054.16
Equity			
Contributed equity	13	345,510.00	345,510.00
Reserves	5	4,096.39	
Retained profits		588,789.72	623,544.16
Total equity		938,396.11	969,054.16

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flow from operating activities			
Receipts from customers		1,320,886.05	1,284,746.57
Payments to suppliers and employees		(1,278,852.86)	(866,436.49)
Interest received		53,110.53	42,108.00
Interest and other costs of finance		(19,755.27)	(17,163.07)
Income tax paid		(89,689.00)	(97,581.19)
Net cash provided by (used in) operating activities (note 2)		(14,300.55)	345,673.82
Cash flow from investing activities			
Payment for:			
Payments for property, plant and equipment		(8,192.77)	(17,448.11)
Net cash provided by (used in) investing activities		(8,192.77)	(17,448.11)
Cash flow from financing activities			
Dividends paid		(96,418.80)	(75,652.20)
Net cash provided by (used in) financing activities		(96,418.80)	(75,652.20)
Net increase (decrease) in cash held		(118,912.12)	252,573.51
Cash at the beginning of the year		877,145.58	624,572.07
Cash at the end of the year (note 1)		758,233.46	877,145.58

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows

	2009 \$	2008 \$
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Note 1. Reconciliation of cash

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.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	28,099.01	77,091.93
Investment account	730,000.00	800,000.00
Petty cash on hand	134.45	53.65
	758,233.46	877,145.58

Note 2. Reconciliation of net cash provided by/used in operating activities to net profit

Operating profit (loss) after tax	61,988.36	276,096.97
Depreciation	29,087.17	25,595.49
Small business tax break	4,096.39	
Increase/(decrease) in provision for dividends		
Increase/(decrease) in provision for income tax	(62,191.30)	21,469.24
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(14,546.35)	(13,508.88)
Increase (decrease) in trade creditors and accruals	1,257.61	32,818.80
Increase (decrease) in employee entitlements		(5,400.00)
Increase (decrease) in sundry provisions	(33,992.43)	8,602.20
Net cash provided by operating activities	(14,300.55)	345,673.82

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Statement of significant accounting policies

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

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

Accounting policies

Income tax

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

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

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

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

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Income tax (continued)

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

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Financial instruments

Recognition and initial measurement

Financial instruments, incorporations financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered with in timeframes established by marketplae convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set our below.

Impairment of assets

At each date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Impairment of assets (continued)

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Cash and cash equivalents

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

Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and services tax (GST)

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative figures

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

Notes to the financial statements continued

	2009 \$	2008 \$
Note 2. Revenue		
Operating activities:		
Interest revenue*	53,110.53	42,108.00
Other operating revenue:		
Commissions received	200,946.09	147,417.31
Gross margin income	792,653.56	820,826.92
ATM revenue	81,558.40	69,474.09
Other income	218,842.94	213,564.05
Marketing development fund	43,000.13	50,000.09
	1,390,111.65	1,343,390.46
* Interest from:		
Bendigo and Adelaide Bank Ltd	53,110.53	42,108.00

Note 3. Profit from ordinary activities

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as expense:		
Bad and doubtful debts	1,568.72	3,027.01
Leasing costs		
- Bendigo and Adelaide Bank Ltd	19,755.27	17,163.07
Total leasing costs	19,755.27	17,163.07
Depreciation of non-current assets:		
- Plant and equipment	29,087.17	25,595.49
Total depreciation expenses	29,087.17	25,595.49

Notes to the financial statements continued

	2009 \$	2008 \$
Note 4. Income tax		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax as follows at 30%	26,845.80	118,544.22
Add:		
Tax effect of unpaid superannuation	-	-
Tax effect of entertainment	651.90	1,687.77
Income tax expense attributable to profit from ordinary activities	27,497.70	119,050.43

Note 5. Reserves

Increase in reserves during the reporting period

ATO 50% investment allowance	4,096.39	
	4,096.39	
Balance at the reporting date		
ATO 50% investment allowance	4,096.39	
	4,096.39	

Note 6. Dividends

Dividends provided for or paid	96,742.80	76,012.20
	76,012.20	76,012.20

Note 7. Cash assets

Bank accounts:

Cash at bank	28,099.01	77,091.93
Investment account	730,000.00	800,000.00

Other cash items:

Petty cash on hand	134.45	53.65
	758,233.46	877,145.58

Notes to the financial statements continued

	2009 \$	2008 \$
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Note 7. Cash assets (continued)

Reconciliation of cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash	758,233.46	877,145.58
	758,233.46	877,145.58

Note 8. Receivables

Current

Trade debtors	124,352.61	109,806.26
	124,352.61	109,806.26

Note 9. Property, plant and equipment

Leasehold improvements:

- At cost	75,136.31	75,136.31
- Less: accumulated depreciation	(57,420.55)	(49,846.34)
	17,715.76	25,289.97

Plant and equipment:

- At cost	114,179.88	114,179.88
- Less: accumulated depreciation	(41,785.12)	(35,677.64)
	72,394.76	78,502.24

Other plant and equipment:

- At cost	104,913.02	96,720.25
- Less: accumulated depreciation	(83,929.56)	(68,524.08)
	20,983.46	28,196.17
	111,093.98	131,988.38

Notes to the financial statements continued

	2009 \$	2008 \$
Note 10. Payables		
Unsecured:		
- Trade creditors	36,476.41	35,218.80
	36,476.41	35,218.80

Note 11. Tax liabilities

Current		
GST payable control account	8,327.00	36,541.43
Taxation	27,497.70	119,050.43
Pay as you go instalments paid	(11,020.00)	(52,632.00)
Taxation - previous year	(12,250.57)	
Amounts withheld from salary and wages	5,254.00	11,032.00
	17,808.13	113,991.86

Note 12. Provisions

Current		
Dividends	999.40	675.40
Employee entitlements*	-	-
	999.40	675.40
* Aggregate employee entitlements liability	-	-

There were 8 employees at the end of the year.

Note 13. Contributed capital

345510 Ordinary shares at \$1.00 each fully paid	345,510.00	345,510.00
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Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the financial statements continued

Note 14. Remuneration & retirement benefits

Directors' remuneration

Number of Directors whose income from the Company or any related parties was within the following bands:

\$0.00 – \$15,000.00 No. 7

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

Gary Rowe	\$13,928
Lindsay Wells	\$13,928
Debbie Taylor	\$13,928
Christine Grayland	\$13,928
Jason Pater	\$13,928
Greg Sugars	\$13,928
Trevor Collins	\$13,928

Note 15. Superannuation commitments

The entity participated in various complying superannuation funds to provide benefits to employees on retirement, death or disability.

Defined contribution plan

Benefits provided under the plan are based on accumulated contributions and earnings for each employee.

Employees contribute various percentages of their gross income and the Company also contributes at the rate of 9%.

	2009	2008
	\$	\$

Note 16. Auditors' remuneration

Remuneration of the Auditor of the Company for:

Auditing or reviewing the financial report	4,921.72	5,330.80
	4,921.72	5,330.80

Note 17. Contingent liabilities

No contingent liabilities are known.

Notes to the financial statements continued

Note 18. Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties: Tramic Pty. Ltd. receives monthly rental and monthly marketing levy, Malcolm Wells Accounting Solutions Pty. Ltd. receives fees for accountancy fees, for the preparation of mid year and end of year financial accounts, maintenance of Company Secretarial Affairs and for the preparation of fortnightly wages. Pater Family Trust receives a monthly fee for the preparation of monthly Treasury Reports.

Ultimate parent Company

Not applicable.

Associated companies

Not applicable.

Other related parties

Not applicable.

Director - related entities

Transactions with Director-related entities:

Tramic Pty. Ltd. receives monthly rental and monthly marketing levy. Malcolm Wells Accounting Solutions Pty. Ltd. for accountancy fees. Pater Family Trust for preparation of Treasury Reports and Debbie Taylor receives income for Secretarial services.

Directors

Transactions with Directors:

Not applicable.

Percentage of equity interest held by Directors, either directly or indirectly 29.52%

Other benefits derived:

Not applicable.

Identification of related parties

Not applicable.

Note 19. Events subsequent to reporting date

No events subsequent to the reporting date are known to the Directors.

The financial effects of the above have not been brought to account in the accounts at 30 June 2009.

Note 20. Effect of changes in accounting policy

The economic entity never changed its accounting policy during the reporting period.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, present fairly the Company's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements;
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Gary Rowe
Director



Lindsay Wells
Director

Dated: 24 August 2009.

Independent audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARRUM DOWNS FINANCIAL SERVICES LIMITED 088 990 470

Report on the Financial Report

I have audited the accompanying financial report of CARRUM DOWNS FINANCIAL SERVICES LIMITED which comprises the balance sheet as at 30 June 2009, statement of financial performance and cash flow statement for the year ended on that date, 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 fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

Independent audit report continued

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARRUM DOWNS FINANCIAL SERVICES LIMITED
088 990 470**

Auditor's Opinion

In my opinion:

- (a) the financial report of CARRUM DOWNS FINANCIAL SERVICES LIMITED is in accordance with the company's constitution, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the company's constitution.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: Venn Milner & Co
Chartered Accountants

Name of Principal: 
L. A. Milner ACA Registered Auditor

Address: Suite 1, 43 Railway Road, Blackburn VIC 3130

Dated this 29th day of October 2009

Auditor's independence declaration

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
CARRUM DOWNS FINANCIAL SERVICES LIMITED**

I hereby declare, that to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Venn Milner & Co
Chartered Accountants

Name of Partner: 
L. A. Milner ACA Registered Auditor

Address: Suite 1, 43 Railway Road, Blackburn VIC 3130

Dated this 29th day of October 2009

Carrum Downs **Community Bank**[®] Branch
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100 Hall Road, Carrum Downs VIC 3201

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ABN: 89 088 990 470

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Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9013) (07/09)

