

Coleambally Finance Group Ltd.
ABN 52 086 241 509

Annual Report 2009



Coleambally Finance Group Ltd.

ABN 52 086 241 509

Contents

Directors' Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

Notes to and Forming Part of the Financial Statements

Directors' Declaration

Auditor's Report

Detailed Statement of Financial Performance

Coleambally Finance Group Ltd

ABN 52 086 241 509

Registered Office: 1 Brolga Place, Coleambally

Chairman: Mr A J Howe

P O Box 110
Coleambally NSW 2707

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the eleventh ANNUAL GENERAL MEETING of COLEAMBALLY FINANCE GROUP LTD will be held at the Coleambally Community Club on Thursday, 26 November 2009 at 7:00 p.m.

AGENDA

1. **Minutes of Annual General Meeting dated 27 November 2008**
2. **Ordinary Business**

Chairman's Report

The Chairman, Mr A J Howe will present his report on the operations of the Company for the year ended 30 June 2009.

Adoption of Accounts

To receive and consider the financial statements and reports to the contributors comprising:

1. The Profit and Loss accounts for the year ended 30 June 2009 and Balance Sheet of the Company as at 30 June 2009.
2. The Directors' declaration and report by auditors for the financial year ended 30 June 2009.
3. The Directors' report for the financial year ended 30 June 2009.

Election of Directors

To elect three (3) Directors:

Mr A J Howe, Mr K R Boyle and Mr C J Noack retire in accordance with the provisions of the constitution and being eligible, may offer themselves for re-election.

3. **General Business**

To transact any business that may be lawfully brought forward.

By Order of the Board

John C Smith

Secretary

30 September 2009

Notes:

1. Mr A J Howe, Mr K R Boyle and Mr C J Noack will retire under Section 45 of the Constitution of Coleambally Finance Group Ltd and have indicated they will seek re-election.
2. As per the company constitution any two members of the company shall be at liberty to nominate any other member to serve as an office-bearer or other Director.
3. Nomination and Consent to Act forms may be collected from the Coleambally Community Bank[®] Branch, 1 Brolga Place, Coleambally or the Secretary.
4. Nomination and Consent to Act forms must be lodged with the Secretary by 5:00 pm, 12 November 2009.
5. A list of candidates' names in alphabetical order with the nominators' and seconders' names shall be posted in the registered office for at least seven days immediately preceding the Annual General Meeting.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company but should be a natural person over the age of 18 years. Proxy forms will be available once nominations close from the Coleambally Community Bank[®] Branch, 1 Brolga Place, Coleambally or the Secretary and must be lodged at the registered office of the company not less than 48 hours before the timing of the meeting.

Minutes of the Annual General Meeting
Held at Coleambally Bowling Club 27 November 2008

- MEETING OPENED:** Mr A Howe opened the meeting at 7.30 pm.
- Attendance:** Mr J Smith (Secretary), Mr A Howe (Chairman), Mrs M Payne, Mrs J Boyle, Mrs S Sutherland (Director), Mrs S White (Director), Mr K Boyle (Director), Mrs S Hay, Mrs M Thompson, Mr R Brain (Director), Mr P Sheppard, Mr C Noack (Treasurer), Mr A Hayes (Director), Mr J Payne (Director) and Mr T Butt.
- Apologies:** Ms M Hatcher.
- Minutes of Previous Meeting:** The minutes of the Meeting held on 22 November 2007 had been signed as a true and accurate record.
- RESOLVED:** That the Minutes be accepted.
- Chairman's Report:** Mr Howe tabled the Chairman's Report. Note was made of a very satisfactory year's result, and the consequent help the Bank was able to provide to community groups.
- RESOLVED:** That the Chairman's Report be accepted.
- Manager's Report:** Mr Noack tabled the Manager's Report as per attached and advised members that banking business was \$84,334,418, expenses of \$628,549 included in this figure is \$128,668 of sponsorships and donations. Income for the year was \$662,338.
- RESOLVED:** That the Manager's Report be accepted.
- Financial Statements:** The Financial Report and Auditor's Report of the company in respect of the year ended 30 June 2008 and the Report of Directors in relation thereto were tabled.
- RESOLVED:** That the Financial Report and Auditor's Report and the Report of Directors be accepted.
- Election of Directors:** The retiring Directors, Mr R Brain, Mr J Payne and Mrs S Sutherland having offered themselves for re-election, and there being no nominations for the vacant positions, the retiring Directors, Mr R Brain, Mr J Payne and Mrs S Sutherland were duly re-elected to the vacant positions without the need for an election.

Bendigo Bank:

Mr T Butt, Regional Manager from Bendigo Bank spoke to the meeting and offered the congratulations of Bendigo Bank Limited on the successful operations of the Coleambally Community Bank® and the Board for the year 2008.

Business arising:

Establishment of an agency at Darlington Point – Mr Noack reported that pleasing progress had been made.

General Business:

Mr Howe thanked the Bank Manager and the Bank staff for their contributions to a successful year's operations.


Driver Education Programme -- Mr Payne assured the meeting that the Coleambally Community Bank® would continue funding the driving skills course for 2009.

Meeting Close:

There being no further business to discuss, the Chairman declared the meeting closed at 8.40 pm.

Signed as a true record

Date 28/10/09

 (Chairperson)

CHAIRMAN'S REPORT

My how time flies! It does not seem like 12 months has past since I sat down in front of the screen to write last years report. But, here goes.

As I present this, the eleventh report, for the Coleambally Community Bank® I would like firstly to thank the tireless work and commitment by the Board of Directors that has enabled the Bank to continue to operate with outstanding results in yet another year of worsening drought.

To Chris, Mary, Jess, Kate and Simmone our continued thanks are extended to you for the professional and courteous service that you continue to provide to the community whether behind the counter or out in public. A special thanks to Chris who is not only the manager but serves as the Treasurer on the Board.

Although things are tight, it is pleasing to note that we were able to pay our contributors another 10% dividend, totalling some \$33,605.00 last year and we are looking to again match this next year.

Our contribution to the community in the way of grants last year totalled an amazing amount of \$123,315.00. This figure takes our total community contributions to in excess of \$473,000.00. This is an outstanding figure that has taken the pressure off many community and sporting groups that would have had to raise these funds some other way without the Coleambally Community Bank®.

As you are aware the Community Bus was part of this commitment to the community and it is pleasing to see so many sporting and social groups making good use of this facility. One thing that you may not know is that we are the only Community Bank to provide such a facility in the whole network. Another first for Coleambally!

Whilst on the Community grants, each year we stipulate that applications for grants are to be in on the closing date, but each year there are applications received after the closing date. These late applications cannot be considered due to budget restrictions and will have to reapply for next year's process.

The board has approved a 5 year commitment, through the Community Enterprise Foundation, to assist Cypress View Lodge with the purchase of three double bedroom units to expand their accommodation facilities. This commitment is subject to ongoing reviews. We are pleased to be able to undertake such a large commitment in aid of our community and elderly residents.

At the time of writing this report there are other substantial contributions in the pipeline, but more about this later.

Once again the Driver Education programme has continued throughout the year with locals gaining the benefit of correct driver education before they gain their licences. Hopefully this programme with continue next year and for many years to come.

The social highlight for the year was undoubtedly the 10th Anniversary celebrations at the Community Club last March. The large crowd in attendance were wined, dined and entertained in a manner I can only describe as sensational. An amount of \$1,850.00 was raised on the night and donated to the Cancer Patients Assistance Society.

Last but not least I would like to thank you, our contributors and customers for your continued support and hope that next year can be just as exciting and profitable for YOUR Community Bank.

TONY HOWE
Chairman

Manager's Report

What a year it was. The financial year ending 30th June 2009 must go down in history as the most remarkable for a long time. There were and still are, huge corporations on the brink of bankruptcy, there have been countries bankrupt, fortunes were destroyed as sharemarkets and property prices went into freefall around the world. Even with this world wide calamity occurring around us, your Community Bank performed very well.

During the year your Community Bank grew by \$3,028,911 to have banking business totalling \$84,334,418. This level of growth was disappointing in itself, when compared with previous years growth (fy 07 \$12,102,000; fy '08 \$13,653,082) however, with everything that was happening around us that was outside of our control, I believe it was a solid result. The apparent slow down in business growth was not due to an easing in activity, it was more a change in the mix of business as the financial crisis changed people's expectations.

Total income for the year was \$662,338. This was down 3.6% against budget and also down 1.8% on the previous years result. At the same time expenses increased by 5.8% to \$628,549. Included in this figure is an amount of \$128,668 for sponsorships and donations. This brings to total amount that has gone back into the community to \$429,376. There is also an amount of \$33,605 included in the financing costs which was paid to our Contributors for the funds they lent to the Company to start the Bank. When these amounts are taken into consideration, the resulting net profit before tax of \$50,994 is a sound result.

As at the end of September 2009, business levels stood at \$85,646,567 which is in line with forecast growth and income is getting back to normal levels. We are on track for another very good result for this new financial year.

The agency in Darlington Point opened in mid March and is doing well. Over time I see it as being able to contribute significant funds back into the Darlington Point community as well as providing a service to our customers in that town.

I say this every year and every year it becomes more important. I would like to thank my staff, Mary Thompson, Simmone Hay, Jessica Dunbar and Kate Jones for their hard work and professionalism, without them these results would not be possible. They are the face of the Bank and their dedication ensures that Coleambally Community Bank[®] has and will continue to be a success.

I would again like to thank the Board of Directors, capably lead by Tony Howe, for their continued support of me and our company.

I say this every year too and it is more important than ever. I must again thank our customers for their support and patronage, because without customers supporting us we would not be able to support the community to the extent that we have.

Chris Noack
Manager

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Report

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

Directors

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

AJ Howe Chairman Electrical appliance repairer	SE Sutherland Director Farmer
KR Boyle Director Post Master	JC Smith Secretary Retired School Teacher
JH Payne Director Farmer	CJ Noack Director Bank Manager
SE McCamley- White Director Farmer	RM Brain Director Farmer
AJ Hayes Director Farm Manager	

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

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

Principal activities

The principal activities of the company during the course of the financial year were in providing community banking 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.

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 \$34,291 (2008: \$66,525).

Dividends

No dividends were declared or paid for the previous year and the directors recommend that no dividend be paid for the current year.

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Report

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future years.

Likely Developments

The company will continue its policy of providing banking services to the community.

Directors' Benefits

Other than detailed below, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Executive Remuneration

<u>Branch Manager</u>	<u>Primary Benefits</u> Salary & Fees \$	<u>Post Employment</u> Superannuation \$	<u>Total</u> \$
Christopher Noack			
2009	67,537	9,940	77,477
2008	66,691	9,940	76,631

Indemnification and Insurance of Directors and Officers

The company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors or Managers of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Report

Directors Meetings

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

Number of Meetings Held:	11
Number of Meetings Attended:	
CJ Noack	11
AJ Howe	9
KR Boyle	8
JH Payne	11
SE Sutherland	9
SE McCamley- White	8
AJ Hayes	9
JC Smith	8
RM Brain	10

Company Secretary

John Smith has been the company secretary of Coleambally Finance Group since 15 December 2005. He was head science teacher at Coleambally for 23 years. Now retired.

Corporate Governance

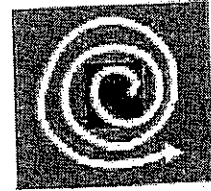
The company has implemented various corporate governance practices, which include:

- (a) Director approval of operating budgets and monitoring of progress against these budgets;
- (b) Ongoing Director training; and
- (c) Monthly Director meetings to discuss performance and strategic plans.

Auditor Independence Declaration

The directors received the following declaration from the auditor of the company:

Richmond Sinnott & Delahunty
Chartered Accountants



172-176 McIvor Rd
PO Box 30
Bendigo. 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail: rsd@rsdadvisors.com.au

Auditor's Independence Declaration

In relation to our audit of the financial report of Coleambally Finance Group Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty
23 September 2009

Signed in accordance with a resolution of the Board of Directors at Coleambally on 23 September 2009.


A.J. Howe, Chairman

Coleambally Finance Group Limited
ABN 52 086 241 509
Income Statement
For the year ended 30 June 2009

	<u>Notes</u>	2009 \$	2008 \$
Revenue from ordinary activities	2	679,543	692,094
Employee benefits expense	3	(258,485)	(221,383)
Depreciation and amortisation expense	3	(30,539)	(22,456)
Finance costs	3	(40,415)	(56,039)
Charitable donations and sponsorship		(128,668)	(136,363)
Administration and other expenses from ordinary activities		<u>(170,442)</u>	<u>(157,680)</u>
Profit before income tax expense		50,994	98,173
Income tax expense	4	<u>16,703</u>	<u>31,648</u>
Profit after income tax expense		<u><u>34,291</u></u>	<u><u>66,525</u></u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Balance Sheet
As at 30 June 2009

	<u>Notes</u>	2009 \$	2008 \$
Current Assets			
Cash assets	6	436,817	510,764
Receivables	7	87,506	63,576
Other assets	8	7,705	3,151
Current tax asset	4	16,479	-
Total Current Assets		<u>548,507</u>	<u>577,491</u>
Non-Current Assets			
Property, plant and equipment	9	265,526	242,741
Investments	10	40,864	26,627
Intangible assets	11	46,172	42,325
Total Non-Current Assets		<u>352,562</u>	<u>311,693</u>
Total Assets		<u>901,069</u>	<u>889,184</u>
Current Liabilities			
Payables	12	20,535	16,071
Current tax payable	4	-	11,951
Interest bearing liabilities	13	327,594	330,480
Provisions	14	59,313	54,941
Total Current Liabilities		<u>407,442</u>	<u>413,443</u>
Non-Current Liabilities			
Interest bearing liabilities	13	90,211	106,616
Restricted funds - pledges	13	333,790	333,790
Total Non-Current Liabilities		<u>424,001</u>	<u>440,406</u>
Total Liabilities		<u>831,443</u>	<u>853,849</u>
Net Assets		<u>69,626</u>	<u>35,335</u>
Equity			
Retained earnings	15	69,626	35,335
Total Equity		<u>69,626</u>	<u>35,335</u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
 ABN 52 086 241 509
 Cash Flow Statement
 For the year ended 30 June 2009

	<u>Notes</u>	2009 \$	2008 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		695,806	727,801
Cash payments in the course of operations		(606,402)	(566,679)
Income tax (paid)/refunded		(45,133)	(34,304)
Interest paid		(40,415)	(56,039)
Interest received		12,896	11,768
Net cash flows from operating activities	16b	<u>16,752</u>	<u>82,547</u>
Cash Flows From Investing Activities			
Payment for investments		(14,237)	(26,627)
Payments for property, plant & equipment		(47,171)	(42,451)
Payments for intangible assets		(10,000)	-
Net cash flows used in investing activities		<u>(71,408)</u>	<u>(69,078)</u>
Cash Flows From Financing Activities			
Proceeds from borrowings		-	33,408
Repayment of borrowings		(15,723)	-
Net cash flows used in financing activities		<u>(15,723)</u>	<u>33,408</u>
Net increase/(decrease) in cash held		(70,379)	46,877
Add opening cash brought forward		203,190	156,313
Closing cash carried forward	16a	<u>132,811</u>	<u>203,190</u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of Changes in Equity
For the year ended 30 June 2009

	2009	2008
	\$	\$
PLEDGES		
<i>Ordinary Pledges</i>		
Balance at start of year	333,790	333,790
Additional pledges	-	-
Balance at end of year	<u>333,790</u>	<u>333,790</u>
 RETAINED EARNINGS/(ACCUMULATED LOSSES)		
Balance at start of year	35,335	(31,190)
Profit after income tax expense	34,291	66,525
Dividends paid	-	-
Balance at end of year	<u>69,626</u>	<u>35,335</u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2009

1. Basis of preparation of the Financial Report

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report was authorised for issue by the Directors on 23 September 2009.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2008 financial statements.

Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Investments

Investments in listed shares are recorded at cost.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2009

1. Basis of preparation of the Financial Report (continued)

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

<u>Class of Asset</u>	<u>Depreciation Rate</u>
Furniture & Equipment	10 - 30%
Plant & Equipment	10%
Buildings	2.5%
Motor Vehicle	22.5 - 30%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market-assessments of the time value of money and the risks specific to the asset.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Goods and services tax

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2009

1. Basis of preparation of the Financial Report (continued)

Employee Benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

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

Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 5 - 20% per annum.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Comparative Figures

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

Revenue

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

Receivables and Payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Interest Bearing Liabilities

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

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2009

	2009	2008
	\$	\$
2. Revenue from ordinary activities		
Operating activities		
- services commissions	330,072	374,535
- other revenue	<u>331,375</u>	<u>300,591</u>
	<u>661,447</u>	<u>675,126</u>
Non-operating activities:		
- interest received	12,896	11,768
- other revenue	<u>5,200</u>	<u>5,200</u>
	<u>18,096</u>	<u>16,968</u>
	<u>679,543</u>	<u>692,094</u>
3. Expenses		
Employee benefits expense		
- wages and salaries	226,800	196,121
- superannuation costs	<u>31,685</u>	<u>25,262</u>
	<u>258,485</u>	<u>221,383</u>
Depreciation of non-current assets:		
- plant and equipment	6,837	6,597
- buildings	4,137	4,137
- motor vehicles	13,412	6,137
Amortisation of non-current assets:		
- intangibles	<u>6,153</u>	<u>5,585</u>
	<u>30,539</u>	<u>22,456</u>
Finance cost:		
- Interest paid	40,415	56,039
4. Income Tax Expense		
The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit before income tax at 30%	15,298	29,452
Add tax effect of:		
- Non-deductible expenses	1,405	2,196
<i>Current income tax expense</i>	<u>16,703</u>	<u>31,648</u>
Income tax expense	<u>16,703</u>	<u>31,648</u>
Tax liabilities		
Current tax payable/(receivable)	<u>(16,479)</u>	<u>11,951</u>

Coleambally Finance Group Limited
 ABN 52 086 241 509
 Notes to the Financial Statements
 for the year ended 30 June 2009

	2009	2008
	\$	\$
5. Auditors' Remuneration		
Amounts received or due and receivable by Richmond, Sinnott & Delahunty for:		
- Audit or review of the financial report of the company	<u>2,700</u>	<u>2,700</u>
6. Cash Assets		
Cash at bank and on hand	<u>436,817</u>	<u>510,764</u>
7. Receivables		
GST receivables	21,129	-
Trade debtors	<u>66,377</u>	<u>63,576</u>
	<u>87,506</u>	<u>63,576</u>
8. Other assets		
Prepayments	<u>7,705</u>	<u>3,151</u>
9. Property, Plant and Equipment		
<i>Land - 1 Brolga Place</i>		
At cost	<u>40,000</u>	<u>40,000</u>
<i>Buildings</i>		
At cost	165,487	165,487
Less accumulated depreciation	<u>(11,346)</u>	<u>(7,209)</u>
	<u>154,141</u>	<u>158,278</u>
<i>Office furniture & equipment</i>		
At cost	69,728	65,767
Less accumulated depreciation	<u>(65,045)</u>	<u>(56,467)</u>
	<u>4,683</u>	<u>9,300</u>
<i>Plant and equipment</i>		
At cost	1,790	1,790
Less accumulated depreciation	<u>(1,790)</u>	<u>(1,741)</u>
	<u>-</u>	<u>49</u>
<i>Motor Vehicles</i>		
At cost	86,251	41,251
Less accumulated depreciation	<u>(19,549)</u>	<u>(6,137)</u>
	<u>66,702</u>	<u>35,114</u>
Total written down amount	<u>265,526</u>	<u>242,741</u>
Movements in carrying amounts		
<i>Land - 1 Brolga Place</i>		
Carrying amount at beginning of year	40,000	40,000
Additions	<u>-</u>	<u>-</u>
Carrying amount at end of year	<u>40,000</u>	<u>40,000</u>

Coleambally Finance Group Limited
 ABN 52 086 241 509
 Notes to the Financial Statements
 for the year ended 30 June 2009

9. Property, Plant and Equipment (continued)

Movements in carrying amounts (continued)

	2009 \$	2008 \$
<i>Buildings</i>		
Carrying amount at beginning of year	158,278	162,415
Additions	-	-
Disposals	-	-
Depreciation expense	(4,137)	(4,137)
Carrying amount at end of year	<u>154,141</u>	<u>158,278</u>
<i>Office furniture & equipment</i>		
Carrying amount at beginning of year	9,300	14,646
Additions	2,171	1,200
Disposals	-	-
Depreciation expense	(6,788)	(6,546)
Carrying amount at end of year	<u>4,683</u>	<u>9,300</u>
<i>Plant and equipment</i>		
Carrying amount at beginning of year	49	100
Additions	-	-
Disposals	-	-
Depreciation expense	(49)	(51)
Carrying amount at end of year	<u>-</u>	<u>49</u>
<i>Motor Vehicles</i>		
Carrying amount at beginning of year	35,114	-
Additions	45,000	41,251
Disposals	-	-
Depreciation expense	(13,412)	(6,137)
Carrying amount at end of year	<u>66,702</u>	<u>35,114</u>
10. Investments		
Listed shares at cost	<u>40,864</u>	<u>26,627</u>
11. Intangible Assets		
<i>Franchise Fee and Establishment Costs</i>		
At cost	141,700	131,700
Less accumulated amortisation	(95,528)	(89,375)
	<u>46,172</u>	<u>42,325</u>
12. Payables		
Trade creditors	17,565	9,746
GST payable	-	3,356
Other creditors and accruals	2,970	2,969
	<u>20,535</u>	<u>16,071</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2009

13. Interest Bearing Liabilities	2009	2008
	\$	\$
Current		
Chattel mortgage	11,207	11,207
Less: Unexpired charges	<u>(2,367)</u>	<u>(3,049)</u>
	<u>8,840</u>	<u>8,158</u>
Bank overdraft	304,006	307,574
Bank loan	14,748	14,748
	<u>327,594</u>	<u>330,480</u>
Non Current		
Chattel mortgage	26,405	37,358
Less: Unexpired charges	<u>(2,548)</u>	<u>(4,915)</u>
	<u>23,857</u>	<u>32,443</u>
Bank loan	66,354	74,173
	<u>90,211</u>	<u>106,616</u>
Restricted funds - pledges	<u>333,790</u>	<u>333,790</u>
14. Provisions		
PAYG withholding	3,400	2,892
Employee benefits	47,369	47,125
Other	8,544	4,924
	<u>59,313</u>	<u>54,941</u>
Number of employees at year end	<u>6</u>	<u>5</u>
15. Retained Earnings/(Accumulated Losses)		
Balance at the beginning of the financial year	35,335	(31,190)
Net profit from ordinary activities after income tax	34,291	66,525
Balance at the end of the financial year	<u>69,626</u>	<u>35,335</u>
16. Cash Flow Statement		
(a) Reconciliation of cash		
Cash assets	436,817	510,764
Bank overdraft	<u>(304,006)</u>	<u>(307,574)</u>
	<u>132,811</u>	<u>203,190</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2009

	2009	2008
	\$	\$
16. Cash Flow Statement (continued)		
<i>(b) Reconciliation of profit after tax to net cash from operating activities</i>		
Profit after income tax	34,291	66,525
Non cash items		
- Depreciation	24,386	16,871
- Amortisation	6,153	5,585
Changes in assets and liabilities		
- (Increase) decrease in receivables and other assets	(28,484)	(11,511)
- Increase (decrease) in payables	4,464	1,229
- Increase (decrease) in provisions	4,372	6,504
- Increase (decrease) in income tax payable	(28,430)	(2,656)
Net cashflows from operating activities	16,752	82,547

17. Director and Related Party Disclosures

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

CJ Noack
AJ Howe
KR Boyle
JH Payne
SE Sutherland
SE McCamley- White
AJ Hayes
JC Smith
RM Brain

Apart from the following, no related party transaction occurred during the year:

Executive Remuneration

<u>Branch Manager</u>	Primary <u>Benefits</u> Salary & Fees \$	Post <u>Employment</u> Superannuation \$	<u>Total</u> \$
Christopher Noack			
2009	67,537	9,940	77,477
2008	66,691	9,940	76,631

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2009

18. Subsequent Events

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

19. Contingent Liabilities

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

20. Segment Reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Coleambally, NSW.

21. Corporate Information

Coleambally Finance Group Ltd is a company limited by guarantee incorporated in Australia.

The registered office and principal place of business is:

1 Brolga Place
Coleambally NSW 2707

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
For the year ended 30 June 2009

22. Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is assisted in the area of risk management by an internal audit function.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables, investments and cash assets.

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

	<u>Carrying Amount</u>	
	<u>2009</u>	<u>2008</u>
	\$	\$
Cash assets	436,817	510,764
Investments	40,864	26,627
Receivables	87,506	63,576
	<u>565,187</u>	<u>600,967</u>

The Company's exposure to credit risk is limited to Australia by geographic area. The majority of the balance of receivables is due from Bendigo and Adelaide Bank Ltd.

None of the assets of the Company are past due (2008: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd and Elders Rural Bank Ltd.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company has an established overdraft facility with Bendigo and Adelaide Bank Ltd.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
For the year ended 30 June 2009

22. Financial risk management (continued)

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	over 1 to 5 years \$	more than 5 years \$
30 June 2009					
Payables	20,535	(20,535)	(20,535)	-	-
Interest bearing liabilities	<u>417,805</u>	<u>(446,083)</u>	<u>(329,961)</u>	<u>(85,397)</u>	<u>(30,725)</u>
	<u>438,340</u>	<u>(466,618)</u>	<u>(350,496)</u>	<u>(85,397)</u>	<u>(30,725)</u>
30 June 2008					
Payables	16,071	(16,071)	(16,071)	-	-
Interest bearing liabilities	<u>437,096</u>	<u>(475,352)</u>	<u>(333,529)</u>	<u>(96,350)</u>	<u>(45,473)</u>
	<u>453,167</u>	<u>(491,423)</u>	<u>(349,600)</u>	<u>(96,350)</u>	<u>(45,473)</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest Rate Risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	<u>Carrying Amount</u>	
	2009	2008
	\$	\$
Fixed rate instruments		
Financial assets	109,455	183,402
Financial liabilities	<u>(113,799)</u>	<u>(129,522)</u>
	<u>(4,344)</u>	<u>53,880</u>
Variable rate instruments		
Financial assets	-	-
Financial liabilities	<u>(304,006)</u>	<u>(307,574)</u>
	<u>(304,006)</u>	<u>(307,574)</u>

It should be noted that included in cash assets is an amount of \$327,362 (2008: \$327,362) which is non interest bearing.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
For the year ended 30 June 2009

22. Financial risk management (continued)

(c) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2008 there was also no impact. As at both dates this assumes all other variables remain constant.

(d) Net fair values

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

(e) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. Capital is represented by total equity as recorded in the Balance Sheet.

There are no externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2009 can be seen in the Income Statement.

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

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Declaration

In accordance with a resolution of the directors of Coleambally Finance Group Limited,
I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



AJ Howe, Chairman

Signed at Coleambally on 23 September 2009.

Richmond Sinnott & Delahunty

Chartered Accountants



23 September 2009

The Directors
Coleambally Finance Group Limited
1 Brolga Place
COLEAMBALLY NSW 2707

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

Dear Directors

We have now completed our audit of the financial report Coleambally Finance Group Limited for year ended 30 June 2009. Subject to the Board of Directors adopting the financial report, we are in a position to issue an unqualified audit opinion on the company's financial report.

1. Overview of Audit Approach

Our audit was designed in accordance with Australian Auditing Standards (AUS), which provides for reasonable, rather than absolute, assurance that the financial report is free of material misstatement. The nature and scope of the audit work performed was designed to achieve our primary goal of supporting the audit opinion on the financial report.

2. Operations

2.1 Income Statement

	30 June 2009 \$	30 June 2008 \$
Revenue from ordinary activities	679,543	692,094
Employee benefits expense	(258,485)	(221,383)
Depreciation & amortisation expenses	(30,539)	(22,456)
Borrowing cost expense	(40,415)	(56,039)
Charitable donations & sponsorship	(128,668)	(136,363)
Administration and other operating expenses	(170,442)	(157,680)
Profit before income tax	50,994	98,173
Income tax expense	16,703	31,648
Profit after income tax	34,291	66,525

2.2 Balance Sheet

	30 June 2009 \$	30 June 2008 \$
Current assets	548,507	577,491
Non-current assets	352,562	311,693
Total assets	901,069	889,184
Current liabilities	407,442	413,443
Non-current liabilities	424,001	440,406
Total liabilities	831,443	853,849
Equity	69,626	35,335

3. Auditing/Accounting Issues

During our audit we noted the following matters that we recommend the directors continue to monitor before future audits are completed.

3.1 On Costs

As per prior year it was noted during review of employee benefits that on costs were not included in the calculation for the provision of employee benefits. To correctly account for the provision, applicable leave loading, superannuation and workcover should be included in the total provision amount. This amount was immaterial and the financial statements were not adjusted for this.

We recommend that in the future superannuation and workcover be calculated on the annual leave balance before leave loading and added to the provision for employee benefits.

3.2 Franchise Fee Deductibility

As noted in our prior year report, in 2007 Bendigo Bank requested PWC to complete a review of the deductibility of various payments made in relation to establishment and franchise fees paid by Community Banks. We understand this report has been distributed to all Community Banks and recommend this report is reviewed before completion of future taxation returns.

3.3 Authorisation of invoices

During payments testing we noted that most invoices selected for testing held no evidence of authorisation for payment. We recommend as best practice that all invoices are initialled by two cheque signatories as a sign of approval.

4. Summary of Audit Differences

There are no material audit differences that have not been included in the financial report for Coleambally Finance Group Limited.

5. Other Matters

Our work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities, other than those that would influence us in forming our audit opinion.

Should you have any queries in relation to the above or any other matters please do not hesitate to contact either Stephen Brown or myself.

Yours sincerely



Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Richmond Sinnott & Delahunty
Chartered Accountants



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

23 September 2009

The Directors
Coleambally Finance Group Limited
1 Brolga Place
COLEAMBALLY NSW 2707

Dear Directors

Auditor's Independence Declaration

In relation to our audit of the financial report of Coleambally Finance Group Ltd for the year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Richmond Sinnott & Delahunty

Chartered Accountants



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COLEAMBALLY FINANCE GROUP LIMITED

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

SCOPE

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Coleambally Finance Group Limited, for the year ended 30 June 2009.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are established to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

INDEPENDENCE

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Coleambally Finance Group Limited is in accordance with:

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Richmond Sinnott & Delahunty

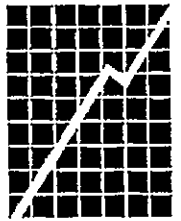
RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants



W. J. SINNOTT
Partner
Bendigo

Date: 23 September 2009

**MULQUEEN
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PTY · LTD ·



Solutions for your success

Our reference: CS0021409260109

4th September 2009

Bendigo and Adelaide Bank Board
The Bendigo and Adelaide Bank Ltd
GPO 480
Bendigo Vic 3552

To the Board members of the Bendigo and Adelaide Bank,

**BENDIGO AND ADELAIDE BANK & COMMUNITY BANK PROFIT SHARE
MODEL ASSURANCE REVIEW FOR THE YEAR ENDED 30 JUNE 2009**

The purpose of this correspondence is to advise that there were no issues to arise from the Bendigo and Adelaide Bank and Community Bank Profit Share Model Assurance Review for the year ended 30 June 2009.

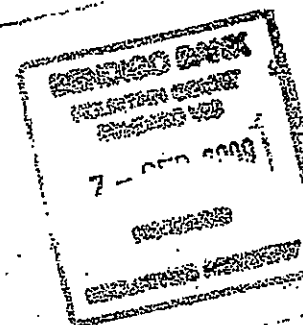
The assurance review was not a comprehensive review of all systems and processes and was not designed to uncover all weaknesses, breaches and irregularities in those systems and processes. Inherent limitations in any management process and system of internal control may mean that errors or irregularities might occur and not be detected. The assurance review did not constitute a complete examination of all relevant data and was not designed to uncover all processing errors and therefore may not have detected all breaches and irregularities that could have occurred.

The assistance provided by the management and staff during the course of the audit is acknowledged and appreciated.

Please contact me on 03 5443 8888 if you have any queries.

Yours sincerely

Peter Mulqueen
MULQUEEN GRIFFIN ROGERS PTY LTD
mgr@mgr.com.au



Directors
Peter J Mulqueen CPA
Stephen J Griffin CPA
Hugh M Rogers CPA

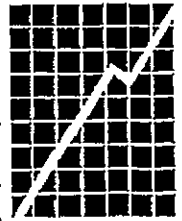
Consultants
Mark E Lennox CPA

Associates
Robert W Black CPA
Anthony J Cappy CPA
Kerryn J Hamilton CA
Cathy Gaskell CPA

Mulqueen-Griffin Rogers Pty. Ltd. A.C.N. 079 048 061
A.B.N. 97 725 004 261
Head Office 1 Somerville St. (P.O. Box 793) Bendigo, Victoria 3552.
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Our reference: C/S0011408270109

INDEPENDENT ASSURANCE COMPLIANCE REVIEW REPORT

To

The Franchisees of the Community Banks of the Bendigo and Adelaide Bank, and
The Board of Management of the Bendigo and Adelaide Bank

REPORT ON THE COMMUNITY BANK PROFIT SHARE FOR THE YEAR ENDED 30 JUNE 2009

Scope

We have conducted a review to evaluate and report upon the Community Bank profit share calculations for the year ended 30th June 2009, with the objective of providing a conclusion as to whether a reasonable level of assurance can be expressed to the Bendigo and Adelaide Bank (the "Bank") and Community Bank Franchisees. Reasonable means a high, but not absolute level of assurance.

Respective Responsibilities

The Board of Management of the Bank is responsible for the profit share financial reports and has determined that the accounting policies used are consistent with the financial reporting requirements of the Franchise Agreement and are appropriate to meet the needs of the Bank and the Franchisees.

Our responsibility is to conduct an independent review of the Profit Share Statement financial reports in order to reach a conclusion on them as to whether the review objective was met in all material respects. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Bank and the Franchisees.

Our review has been conducted in accordance with applicable standards on Assurance Engagements (ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*) to provide reasonable assurance that the Bank has complied with the Franchise Agreements in preparing the Profit Share Statement financial reports.

Our procedures included examination, on a test basis, of the controls and procedures employed by the Bank in the calculation and payment of the profit share arrangement and evidence supporting the amounts included in the Profit Share Statement financial reports. These procedures have been undertaken to form a conclusion as to whether the Bank has complied in all material aspects with the Bank Board of Management's reporting requirements under the Franchise Agreement for the year ended 30 June 2009.

Directors

Peter J Mulqueen CPA
Stephen J Griffin CPA
Hugh M Rogers CPA

Consultants

Mark E Lennox CPA

Associates

Robert W Black CPA
Anthony J Cappy CPA
Kerryn J Hamilton CA
Cathy Gaskell CPA

Mulqueen Griffin Rogers Pty. Ltd. A.C.N. 079 048 061
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Use of Report

The assurance compliance review was prepared for the Bank and the Franchisees for the purpose of fulfilling the Bank Board of Management's reporting requirements under the Franchise Agreement. We disclaim any assumption of responsibility for any reliance on this report or on the financial reports to which it relates to any person other than the Bank and the Franchisees, or for any purpose other than that for which it was prepared.

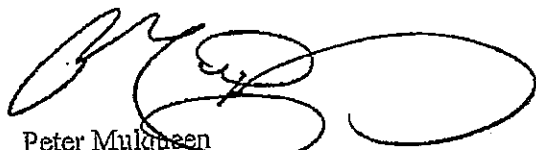
Procedures have been undertaken to reach a conclusion about whether a reasonable level of assurance can be expressed, in all material respects, that the Profit Share Statement financial reports are prepared in accordance with the Franchise Agreement between Franchisees of the Bank and the Bank. (These policies do not require the application of Australian Accounting Standards, which includes the Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB), Interpretations and other mandatory professional requirements). It is possible that fraud, error or non-compliance may occur and not be detected. A review is not designed to detect all instances of non-compliance with the Franchise Agreements, as it generally comprises making enquiries, primarily of the responsible party, and applying analytical and other review procedures.

The review evaluated whether the profit share calculations of the Bank, which include expense recovery and income calculations in respect to its community bank franchise arrangements, have been made in accordance with the Franchise Agreements during the period 1st July 2008 to 30th June 2009. The criteria used was whether the amounts disclosed on the monthly Profit Share Statements financial reports issued during the period under review have, in all material respects, been calculated in accordance with the relevant Franchise Profit Share Agreements. The review conclusion expressed in this report has been formed on the above basis.

Conclusion

In our opinion there is a reasonable assurance that, the Bank has complied, in all material respects, in the preparation of Profit Share Statement financial reports during the year ended 30th June 2009, in accordance with the relevant Franchise Agreements.

We noted that distributions included in the Profit Share Statement financial reports made by the Bank referred to as the Market Development Fund do not form part of the Franchise Agreements.



Peter Mulqueen
MULQUEEN GRIFFIN ROGERS PTY LTD

4th September 2009