

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 twelfth ANNUAL GENERAL MEETING of COLEAMBALLY FINANCE GROUP LTD will be held at the Coleambally Community Club on Wednesday, 24 November 2010 at 7:00 p.m.

AGENDA

1. **Minutes of Annual General Meeting dated 26 November 2009**
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 2010.

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 2010 and Balance Sheet of the Company as at 30 June 2010.
2. The Directors' declaration and report by auditors for the financial year ended 30 June 2010.
3. The Directors' report for the financial year ended 30 June 2010.

Election of Directors

To elect three (3) Directors:

Mr A J Hayes, Mr J C Smith and Mrs S E Sutherland 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 2010

Notes:

1. Mr A J Hayes, Mr J C Smith and Mrs S E Sutherland 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, 10 November 2010.
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.

Coleambally Finance Group Ltd ABN 52 086 241 509
Registered Office: 1 Brolga Place, Coleambally

Minutes of the Annual General Meeting
Held at Coleambally Community Club on 26 November 2009

- MEETING OPENED:** Mr A Howe opened the meeting at 7.09 pm.
- Attendance:** Directors and members as per signatures in the official Attendance Book
- Apologies:** Messrs Steve Burgess, James White, Ian Payne, Tim Butt (BBL)
- Minutes of previous Meeting:** The minutes of the Annual General Meeting of 2008 were tabled
- RESOLVED:** **That the minutes be accepted**
- Business arising:** Darlington Pt. Agency - \$2m, 12 transactions per week. More management resources to be directed to the agency.
- Chairman's Report:** Mr Howe tabled the Chairman's Report. Note was made of a very satisfactory year's result.
- RESOLVED:** **That the Chairman's Report be accepted**
- Treasurer's Report:** The Treasurer tabled the financial report and the Auditor's Report, and gave a verbal update to the end of October.
- RESOLVED:** **That the Treasurer's Report be accepted**
- Election of Directors:** The retiring Directors having offered themselves for re-election, and there being no nominations for the vacant positions, the retiring Directors were duly re-elected to the vacant positions without the need for an election.
- Bendigo Bank:** The representative from Bendigo Bank (Tim Butt) tabled a letter in lieu of actual attendance.
- Election of Directors:** Messrs Boyle, Noack and Howe were re-appointed to the directorial positions they vacated.
- General Business:** Mr Howe thanked the Bank Manager and the Bank staff for their contributions to a successful year's operations. The Darlington Point Medical Centre is to go ahead. Waiting for a builder.
- Driver Education – it was noted that the course equates to 6 hours being added to drivers log book while attending Driver Ed.
- Community Bus – 41 trips so far.

Mr Sheppard offered his congratulations to the Bank for their work, and the fund raising load they have taken off local organisations.

Mr Sutherland noted the advancing average age of Directors, and enquired about succession planning.

Mr Hayes passed on the thanks of the Board to all staff.

Meeting Close:

There being no further business, the Chairman closed the meeting at 7.46 pm.

Signed as a true record

Dated 22.10.16

.....(Chairman)

Chairman's Report

Another year has passed by very quickly and the Coleambally Community Bank has survived the worst drought in recent history in a reasonably healthy position. As you will read in the Manager's Report the financial figures are very encouraging.

Without going over the financials in too much depth it is pleasing to be able to report that another 10% return to our initial contributors has been paid and as long as World War 3 does not start we expect that a similar return will be paid next year. Combine the dividend payment to Community Grants, sponsorship and donations that were paid during the year I think that the year can be regarded as a success.

My thanks are extended firstly to our Bank staff. You could not meet and deal with more professional, polite and helpful people anywhere in the banking industry. So to Chris, Mary, Simone, Kate and Jessica congratulations and thank you for your efforts.

To the Directors, thank you for another solid year and I look forward to another such contribution next year.

Thanks also to the Bendigo and Adelaide Bank for their contribution to the banking expertise that they provide. A special thanks is also extended to Tim Butt our Regional Manager for his assistance in any problems that may arise through the year.

As I am writing this report there are some exciting possibilities on the horizon as to the expansion of our business that you will be informed of in due course if all things fall into place. Rest assured that our utmost concern to you our contributors and customers is our number one priority if any of these proposals are to extend to further discussions and that you will be contacted for your approval before anything is finalised.

Please feel free to express any concerns or points of interest that you have at our Annual Meeting to myself or any of the Board of Directors and we will be only too happy to assist you to the best of our abilities.

One thing that Chris did not mention in his Manager's Report was that the lights on the Number 1 Oval have been replaced and upgraded that will be of huge benefit to all sporting associations that use the oval. The Darlington Point Medical Centre is progressing nicely with the official opening to take place on 2 December 2010.

The Red KIA parked on the lawn in front of the branch is not JESSICA NOACKS but we have purchased the car and donated it to Grow Coleambally – Shop Locally Campaign To Be Drawn On Australia Day 2011.

With the Community Bus being in high demand it was disappointing to hear that there was a complaint from a member of the community that all insurance and legal matters were not being adhered to. Let me assure you that the bus is covered for all insurance and RTA specifications. I hope that this matter can now be 'put to bed' and the bus can be continued to be used for the purpose that it was purchased for. That purpose is for the use by all the community.

Finally let me thank you our contributors and customers for your ongoing support and patronage as we look forward to more success next year with renewed optimism as it appears that the drought has finally broken.

Tony Howe
Chairman

Managers Report 2010

Another year has come and gone and thankfully it looks like the drought has finally loosened its grip on the country.

During the Financial Year 2010 your Community Bank has performed reasonably well finishing the year with banking business of \$84,722,701. This represents growth of \$388,283. We were budgeting for growth of \$2 million. This relatively low level of growth has been bought about because funds held on deposit are being used and spent. The first quarter of the new financial year has seen this trend continue and it is not expected to change until the first cheques for this year's winter cereal crop are received. At the end of September total business levels had dropped back to \$79,779,765.

This banking business generated income of \$752,685 against a budget of \$600,692. This also compare favourably with last years result of \$662,338. The current financial year we are expecting to generate income of \$764,291. As at the end of September 2010 we were on target to achieve this target despite the drop in business levels.

The expenses incurred during the financial year were \$682,327 which exceeded budget by \$153,022. Included in this figure were the following items; Donations actual \$136,463 budget Nil; Advertising & Promotions actual \$79,015 budget \$5150. There is also an amount of \$33,605 included in the interest expense which is paid to our Contributors for the funds they lent the Company to start up the Community Bank. We had budgeted to pay an amount of \$23,500 however it was decided to increase this amount because of the strong financial position the Company is in.

Taking all of this into account the Net Profit before Tax of \$70,357 is a very good result. We are planning on a similar result for this current financial year and at the end of September we are on track to achieve this.

The Coleambally Community Bank was established with two goals in mind. These were to provide full banking services in town and to reinvest local capital locally. Given that the Community Bank has been operating successfully since March 1999, I think we can say the first goal has been achieved. Since its inception the community has received a total of \$583,375. This does not include the interest payments to our initial contributors.

The agency at Darlington Point 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.

These results highlight the significant positive impact that your Community Bank can have in this Community. The last 10 years or so have probably been the toughest years for this area in a long time.

I say this every year and every year it becomes more important. I would like to thank my staff, Mary Thompson, Simone 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 also like to congratulate Simone for her being a finalist in the Coleambally Darlington Point Business House awards in the Customer Service category.

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 2010.

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 \$44,261 (2009: \$34,291).

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 Salary & Fees</u> \$	<u>Post Employment Superannuation</u> \$	<u>Total</u> \$
Christopher Noack			
2010	72,700	10,660	83,360
2009	67,537	9,940	77,477

Indemnification and Insurance of Directors and Officers

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

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

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

Directors Meetings

The number of Directors meetings attended during the year were:

Director	Board Meetings #
CJ Noack	10 (11)
AJ Howe	11 (11)
KR Boyle	09 (11)
JH Payne	06 (11)
SE Sutherland	09 (11)
SE McCamley-White	11 (11)
AJ Hayes	09 (11)
JC Smith	11 (11)
RM Brain	10 (11)

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

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

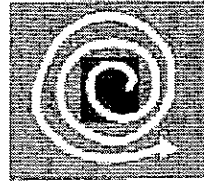
The Company has implemented various corporate governance practices, which include:

- (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



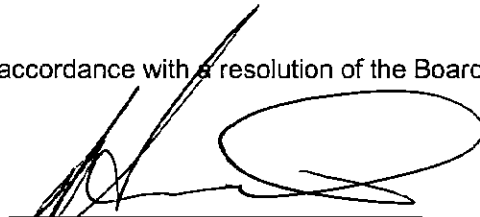
172-176 McIvor Rd
PO Box 30
Bendigo. 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail: rsd@rsdadvisors.com.au

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 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty
22 September 2010

Signed in accordance with a resolution of the Board of Directors at Coleambally on 22 September 2010.



JG Smith, Secretary

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of Comprehensive Income
For the year ended 30 June 2010

	<u>Notes</u>	2010 \$	2009 \$
Revenue from ordinary activities	2	754,982	679,543
Employee benefits expense	3	(250,034)	(258,485)
Depreciation and amortisation expense	3	(28,773)	(30,539)
Finance costs	3	(39,769)	(40,415)
Charitable donations and sponsorship		(203,217)	(128,668)
Administration and other expenses from ordinary activities		<u>(162,832)</u>	<u>(170,442)</u>
Profit before income tax expense		70,357	50,994
Income tax expense	4	<u>26,096</u>	<u>16,703</u>
Profit after income tax expense		44,261	34,291
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>44,261</u></u>	<u><u>34,291</u></u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of Financial Position
As at 30 June 2010

	<u>Notes</u>	2010 \$	2009 \$
Current Assets			
Cash and cash equivalents	6	442,041	436,817
Current tax receivable	4	-	16,479
Receivables	7	66,881	87,506
Other assets	8	7,732	7,705
Total Current Assets		<u>516,654</u>	<u>548,507</u>
Non-Current Assets			
Property, plant and equipment	9	242,338	265,526
Investments	10	44,223	40,864
Intangible assets	11	40,587	46,172
Total Non-Current Assets		<u>327,148</u>	<u>352,562</u>
Total Assets		<u>843,802</u>	<u>901,069</u>
Current Liabilities			
Payables	12	20,295	20,535
Current tax payable	4	8,414	-
Loans and borrowings	13	233,718	327,594
Provisions	14	61,531	59,313
Total Current Liabilities		<u>323,958</u>	<u>407,442</u>
Non-Current Liabilities			
Loans and borrowings	13	72,167	90,211
Restricted funds - pledges	13	333,790	333,790
Total Non-Current Liabilities		<u>405,957</u>	<u>424,001</u>
Total Liabilities		<u>729,915</u>	<u>831,443</u>
Net Assets		<u>113,887</u>	<u>69,626</u>
Equity			
Retained earnings	15	113,887	69,626
Total Equity		<u>113,887</u>	<u>69,626</u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of Cash Flows
For the year ended 30 June 2010

	<u>Notes</u>	2010 \$	2009 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		826,213	695,806
Cash payments in the course of operations		(678,533)	(606,402)
Income tax (paid)/refunded		(1,203)	(45,133)
Interest paid		(39,769)	(40,415)
Interest received		13,795	12,896
Net cash flows from operating activities	16b	<u>120,503</u>	<u>16,752</u>
Cash Flows From Investing Activities			
Payment for investments		(3,359)	(14,237)
Payments for property, plant & equipment		-	(47,171)
Payments for intangible assets		-	(10,000)
Net cash flows used in investing activities		<u>(3,359)</u>	<u>(71,408)</u>
Cash Flows From Financing Activities			
Repayment of borrowings		(17,304)	(15,723)
Net cash flows used in financing activities		<u>(17,304)</u>	<u>(15,723)</u>
Net increase/(decrease) in cash held		99,840	(70,379)
Cash and cash equivalents at start of year		132,811	203,190
Cash and cash equivalents at end of year	16a	<u><u>232,651</u></u>	<u><u>132,811</u></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 2010

	<u>Notes</u>	2010 \$	2009 \$
PLEDGES			
Balance at start of year		333,790	333,790
Additional pledges		<u>-</u>	<u>-</u>
Balance at end of year		<u><u>333,790</u></u>	<u><u>333,790</u></u>
RETAINED EARNINGS/(ACCUMULATED LOSSES)			
Balance at start of year		69,626	35,335
Profit after income tax expense		44,261	34,291
Dividends paid	20	<u>-</u>	<u>-</u>
Balance at end of year		<u><u>113,887</u></u>	<u><u>69,626</u></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 2010

1. Basis of preparation of the Financial Report

(a) Basis of preparation

Coleambally Finance Group Limited ('the Company') is domiciled in Australia. The financial statements for the year ending 30 June 2010 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing community banking services.

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

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

The financial statements were authorised for issue by the Directors on 22 September 2010.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2009 financial statements.

Income tax

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

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

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

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

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 2010

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.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Recoverable amount of assets

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

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2010

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

Goods and services tax

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

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

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

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

Employee Benefits

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

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

Intangibles

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

Cash

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

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.

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).

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2010

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.

Loans and Borrowings

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

Provisions

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

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

2. Revenue from ordinary activities	2010	2009
	\$	\$
Operating activities		
- services commissions	383,324	330,072
- other revenue	352,663	331,375
	<u>735,987</u>	<u>661,447</u>
Non-operating activities:		
- interest received	13,795	12,896
- other revenue	5,200	5,200
	<u>18,995</u>	<u>18,096</u>
	<u>754,982</u>	<u>679,543</u>

Coleambaily Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2010

3. Expenses	2010	2009
	\$	\$
Employee benefits expense		
- wages and salaries	222,287	226,800
- superannuation costs	27,747	31,685
	<u>250,034</u>	<u>258,485</u>
Depreciation of non-current assets:		
- plant and equipment	1,081	6,837
- buildings	4,137	4,137
- motor vehicles	17,970	13,412
Amortisation of non-current assets:		
- intangibles	5,585	6,153
	<u>28,773</u>	<u>30,539</u>
Finance cost:		
- Interest paid	39,769	40,415
Bad debts	1,834	-
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%	21,107	15,298
Add tax effect of:		
- Non-deductible expenses	4,989	1,405
<i>Current income tax expense</i>	<u>26,096</u>	<u>16,703</u>
Income tax expense	<u>26,096</u>	<u>16,703</u>
Tax liabilities		
Current tax payable/(receivable)	<u>8,414</u>	<u>(16,479)</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2010

5. Auditors' Remuneration	2010	2009
	\$	\$
Amounts received or due and receivable by Richmond, Sinnott & Delahunty for:		
- Audit or review of the financial report of the Company	<u>2,900</u>	<u>2,700</u>
6. Cash and Cash Equivalents		
Cash at bank and on hand	<u>442,041</u>	<u>436,817</u>
7. Receivables		
GST receivables	-	21,129
Trade debtors	<u>66,881</u>	<u>66,377</u>
	<u>66,881</u>	<u>87,506</u>
8. Other assets		
Prepayments	<u>7,732</u>	<u>7,705</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>(15,483)</u>	<u>(11,346)</u>
	<u>150,004</u>	<u>154,141</u>
<i>Office furniture & equipment</i>		
At cost	69,728	69,728
Less accumulated depreciation	<u>(66,126)</u>	<u>(65,045)</u>
	<u>3,602</u>	<u>4,683</u>
<i>Plant and equipment</i>		
At cost	1,790	1,790
Less accumulated depreciation	<u>(1,790)</u>	<u>(1,790)</u>
	<u>-</u>	<u>-</u>
<i>Motor Vehicles</i>		
At cost	86,251	86,251
Less accumulated depreciation	<u>(37,519)</u>	<u>(19,549)</u>
	<u>48,732</u>	<u>66,702</u>
Total written down amount	<u>242,338</u>	<u>265,526</u>
Movements in carrying amounts		
<i>Land - 1 Brolga Place</i>		
Carrying amount at beginning of year	40,000	40,000
Additions	-	-
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 2010

9. Property, Plant and Equipment (continued)	2010	2009
	\$	\$
Movements in carrying amounts (continued)		
<i>Buildings</i>		
Carrying amount at beginning of year	154,141	158,278
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(4,137)</u>	<u>(4,137)</u>
Carrying amount at end of year	<u><u>150,004</u></u>	<u><u>154,141</u></u>
<i>Office furniture & equipment</i>		
Carrying amount at beginning of year	4,683	9,300
Additions	-	2,171
Disposals	-	-
Depreciation expense	<u>(1,081)</u>	<u>(6,788)</u>
Carrying amount at end of year	<u><u>3,602</u></u>	<u><u>4,683</u></u>
<i>Plant and equipment</i>		
Carrying amount at beginning of year	-	49
Additions	-	-
Disposals	-	-
Depreciation expense	<u>-</u>	<u>(49)</u>
Carrying amount at end of year	<u><u>-</u></u>	<u><u>-</u></u>
<i>Motor Vehicles</i>		
Carrying amount at beginning of year	66,702	35,114
Additions	-	45,000
Disposals	-	-
Depreciation expense	<u>(17,970)</u>	<u>(13,412)</u>
Carrying amount at end of year	<u><u>48,732</u></u>	<u><u>66,702</u></u>
10. Investments		
Listed shares at cost	<u><u>44,223</u></u>	<u><u>40,864</u></u>
11. Intangible Assets		
<i>Franchise Fee and Establishment Costs</i>		
At cost	141,700	141,700
Less accumulated amortisation	<u>(101,113)</u>	<u>(95,528)</u>
	<u><u>40,587</u></u>	<u><u>46,172</u></u>
12. Payables		
Trade creditors	11,764	17,565
GST payable	5,341	-
Other creditors and accruals	<u>3,190</u>	<u>2,970</u>
	<u><u>20,295</u></u>	<u><u>20,535</u></u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2010

13. Loans and Borrowings	2010	2009
	\$	\$
Current		
Chattel mortgage	11,207	11,207
Less: Unexpired charges	<u>(1,627)</u>	<u>(2,367)</u>
	<u>9,580</u>	<u>8,840</u>
Bank overdraft	209,390	304,006
Bank loan	14,748	14,748
	<u>233,718</u>	<u>327,594</u>
Non Current		
Chattel mortgage	15,198	26,405
Less: Unexpired charges	<u>(920)</u>	<u>(2,548)</u>
	<u>14,278</u>	<u>23,857</u>
Bank loan	57,889	66,354
	<u>72,167</u>	<u>90,211</u>
Restricted funds - pledges	<u>333,790</u>	<u>333,790</u>
14. Provisions		
PAYG withholding	3,286	3,400
Employee benefits	53,986	47,369
Other	<u>4,259</u>	<u>8,544</u>
	<u>61,531</u>	<u>59,313</u>
15. Retained Earnings/(Accumulated Losses)		
Balance at the beginning of the financial year	69,626	35,335
Net profit from ordinary activities after income tax	<u>44,261</u>	<u>34,291</u>
Balance at the end of the financial year	<u>113,887</u>	<u>69,626</u>
16. Statement of Cash Flows		
(a) Cash and cash equivalents		
Cash assets	442,041	436,817
Bank overdraft	<u>(209,390)</u>	<u>(304,006)</u>
	<u>232,651</u>	<u>132,811</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2010

	2010	2009
	\$	\$
16. Statement of Cash Flows (continued)		
<i>(b) Reconciliation of profit after tax to net cash from operating activities</i>		
Profit after income tax	44,261	34,291
Non cash items		
- Depreciation	23,188	24,386
- Amortisation	5,585	6,153
Changes in assets and liabilities		
- (Increase) decrease in receivables and other assets	20,598	(28,484)
- Increase (decrease) in payables	(240)	4,464
- Increase (decrease) in provisions	2,218	4,372
- Increase (decrease) in income tax payable	24,893	(28,430)
Net cashflows from operating activities	120,503	16,752

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>	<u>Primary Benefits</u> Salary & Fees \$	<u>Post Employment</u> Superannuation \$	<u>Total</u> \$
Christopher Noack			
2010	72,700	10,660	83,360
2009	67,537	9,940	77,477

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2010

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. Dividends paid or provided for

No dividends were paid or proposed by the Company during the year.

21. 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.

22. 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 2010

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

	<u>Carrying Amount</u>	
	<u>2010</u>	<u>2009</u>
	\$	\$
Cash assets	442,041	436,817
Investments	44,223	40,864
Receivables	66,881	87,506
	<u>553,145</u>	<u>565,187</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 (2009: 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 2010

23. 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 2010					
Payables	20,295	(20,295)	(20,295)	-	-
Loans and borrowings	305,885	(338,494)	(235,345)	(74,190)	(28,959)
	<u>326,180</u>	<u>(358,789)</u>	<u>(255,640)</u>	<u>(74,190)</u>	<u>(28,959)</u>
30 June 2009					
Payables	20,535	(20,535)	(20,535)	-	-
Loans and borrowings	417,805	(446,083)	(329,961)	(85,397)	(30,725)
	<u>438,340</u>	<u>(466,618)</u>	<u>(350,496)</u>	<u>(85,397)</u>	<u>(30,725)</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>	
	2010 \$	2009 \$
Fixed rate instruments		
Financial assets	114,679	109,455
Financial liabilities	(96,495)	(113,799)
	<u>18,184</u>	<u>(4,344)</u>
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(209,390)	(304,006)
	<u>(209,390)</u>	<u>(304,006)</u>

It should be noted that included in cash assets is an amount of \$327,362 (2009: \$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 2010

23. 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 2009 there was also no impact. As at both dates this assumes all other variables remain constant.

(d) Net fair values

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

(e) Capital management

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

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 2010 can be seen in the Statement of Comprehensive Income.

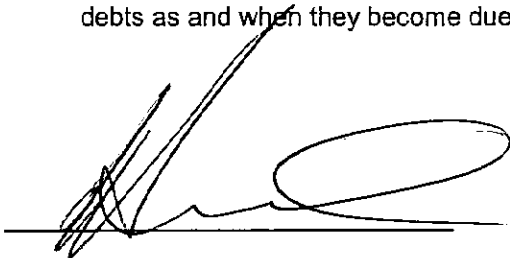
There were no changes in the Company's approach to capital management during the year.

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 2010 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.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

JC Smith, Secretary

Signed at Coleambally on 22 September 2010.

Richmond Sinnott & Delahunty
Chartered Accountants



22 September 2010

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 2010. 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 Financial Performance

	30 June 2010	30 June 2009
	\$	\$
Revenue from ordinary activities	754,982	679,543
Employee benefits expense	(250,034)	(258,485)
Depreciation & amortisation expenses	(28,773)	(30,539)
Finance costs	(39,769)	(40,415)
Charitable donations & sponsorship	(203,217)	(128,668)
Administration and other operating expenses	(162,832)	(170,442)
Profit before income tax	70,357	50,994
Income tax expense	26,096	16,703
Profit after income tax	44,261	34,291

2.2 Financial Position

	30 June 2010	30 June 2009
	\$	\$
Current assets	516,654	548,507
Non-current assets	327,148	352,562
Total assets	843,802	901,069
Current liabilities	323,958	407,442
Non-current liabilities	405,957	424,001
Total liabilities	729,915	831,443
Equity	113,887	69,626

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 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.

3.2 Taxation

You are probably aware of another Community Bank that is limited by guarantee undertaking legal action in relation to potential not for profit status of their company. We recommend you monitor the outcome of this action.

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



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

22 September 2010

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 Limited for the year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty



**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 statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Coleambally Finance Group Limited, for the year ended 30 June 2010.

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

Audit approach

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

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

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

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

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

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

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 2010 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

W. J. SINNOTT
Partner
Bendigo

Date: 22 September 2010