

# 2008 annual report



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# Chairman's report

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For year ending 30 June 2008

## **A successful year**

It is my pleasure and privilege to present to you the seventh Annual Report of Dingley Village Financial Services Ltd.

The financial year 2007/08 has achieved an excellent result for the shareholders and our community in times that were challenging.

During this year, we employed a new Branch Manager and a Customer Relationship Manager who are settling in and starting to drive the business in new growth areas.

Our income was \$160,000 (approximately), up on last year's result. Expenses were only \$100,000, up on last year and accordingly our results were in line with the budget set by the Board and Bendigo Bank.

Our actual operating profit is approximately \$300,000, and if we take into account our \$200,000 donation to the Community Enterprise Foundation we can see that our actual net profit is still close to \$100,000.

Last year's highlights were the provision of \$173,000 to a number of community groups and association as well as a further \$75,000 in sponsorship. In addition, shareholders received a 10c fully franked dividend on each share for the first time and the Board and shareholders must be pleased with the success of the Dingley Village **Community Bank**<sup>®</sup> Branch in such a short time.

In summary, we returned \$275,000 to the community, \$63,000 net (after tax) to shareholders and we still have a profit of \$100,000.

By any measure we have been successful and with success comes a higher standing in the community, which leads to further success in partnerships resulting in combined successes for each partner we engage with.

One example of this was the resurfacing of the Netball Courts in Rowan Road, Dingley Village. The netball association had no resources to fund the resurfacing and through our sponsorship sought our assistance, together with the City of Kingston we jointly funded the \$88,000 to resurface the 16 courts to best practice standard which has resulted in a newly invigorated association that will enjoy further success in the years to come.

Success does create further success and similarly we co funded with Kingston Council a new electronic scoreboard for the Souter Oval for both Cricket and Football.

In the year ahead the shopping centre will be developed and the branch premises may be relocated providing us with an opportunity to refurbish the branch with a fit out to the new more user-friendly atmosphere.

We look forward to new businesses and new growth in the shopping centre in the years ahead. We hold sufficient funds for a refit without affecting our bottom line.

## Chairman's report continued

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We have appointed a new Manager, Mark Myers, who has had outstanding success in the banking industry and in private business over 20 years. He has excellent leadership qualities and we have great faith that he will lead the branch into further business growth and further community engagement, so that our success leads to further success in our community and as well with our partners.

As I said in last years report; "all we set out to do was to return banking services to this community".

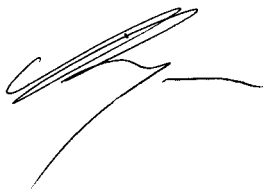
Now look what we have done this year and we can all be proud of what we have achieved for our community. As the saying goes successful people, make successful communities, make successful banks, but only in that order.

It's true – enjoy the success and spread the word.

Finally, I take this opportunity to thank our staff that has worked hard to maintain a friendly banking experience and continue to help Bendigo Bank maintain the highest customer satisfaction rate in the country.

Well done and again my thanks to the volunteer Directors on the Board for the giving of their time, their vigilance and cooperation in what is, together with customers and share holders a team effort.

A most successful team at that!



**Michael Benjamin**  
**Chairman**

# Directors' report

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For year ending 30 June 2008

Your Directors present their report on the Company for the financial year ended 30 June 2008.

## 1. General information

### a. Directors

The names of the Directors in office at any time during, or since the end of, the year are:

#### Names

Michael Howard Benjamin

Michel Andre Dzuirek

William Hamilton Lowcock (resigned 29 November 2007)

Christopher Gerard Malone

Karl Andrew Pickford

Bryan Ford

Suzanne Mary Barry

Donald Ewart Chenery

Robert Allan Bowden

Darren Bodey

Leigh Menzel (appointed 29 November 2007)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### b. Principal activities

The principal activities of Dingley Village Financial Services Ltd during the financial year were provision of banking services to the business and residential community.

No significant change in the nature of these activities occurred during the year.

## 2. Business review

### a. Operating results

The profit from ordinary activities after providing for income tax amounted to \$66,286.

### b. Dividends paid or declared

A capital return of 5 cents per share was paid on the 1 July 2007.

A dividend of 10 cents per share was declared on the 29 November 2007.

# Directors' report continued

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## 3. Other items

### a. After balance date events

No matters or circumstances have arisen since the end of the financial year which 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 financial years.

### b. Auditors independence declaration

The Auditors independence declaration for the year ended 30 June 2008 has been received and can be found on page 7 of the financial report.

### c. Meetings of Directors

11 meetings of Directors (including Director committee meetings) were held during the year. The attendance by each Director during the year was as follows:

#### Director meetings

	Number eligible to attend	Number attended
Michael Benjamin	11	10
Michel Dzurek	11	10
William Lowcock	5	5
Christopher Malone	11	10
Karl Pickford	11	8
Bryan Ford	11	10
Suzanne Barry	11	9
Donald Chenery	11	10
Robert Bowden	11	7
Leigh Menzel	7	6
Darren Bodey	11	8

### d. Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

### e. Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

# Directors' report continued

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## **f. Insurance premiums paid for Directors**

The Company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$475 for each Director.

## **4. Options**

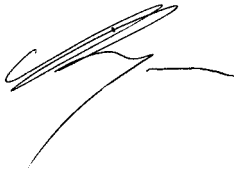
No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

## **5. Proceedings on behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

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



**Michael Howard Benjamin**  
Director



**Michel Andre Dzurek**  
Director



**Bryan Ford**  
Director



**Robert Allan Bowden**  
Director

Dated 17 October 2008.

# Auditor's independence declaration

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

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

Aston, Ryan and Malcolm  
Certified Practising Accountants

**Andrew White**

17 October 2008

Dingley, Victoria



# Financial statements

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## Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenue	2	973,394	815,168
Employee benefits expense		(333,729)	(281,055)
Depreciation, amortisation and impairments	3	(25,314)	(32,707)
Sponsorship and marketing		(293,563)	(246,818)
Occupancy expenses		(96,445)	(96,892)
Other expenses		(129,647)	(116,205)
<b>Profit before income tax</b>		<b>94,696</b>	<b>41,491</b>
Income tax expense	4	(28,409)	3,056
<b>Profit for the year</b>		<b>66,287</b>	<b>44,547</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

### Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	338,791	316,988
Trade and other receivables	7	143,498	109,908
Current tax receivable		-	23,218
<b>Total current assets</b>		<b>482,289</b>	<b>450,114</b>
<b>Non current assets</b>			
Property, plant and equipment	8	108,568	121,732
Deferred tax assets	14	2,067	4,005
Intangible assets	9	39,640	49,860
<b>Total non current assets</b>		<b>150,275</b>	<b>175,597</b>
<b>Total assets</b>		<b>632,564</b>	<b>625,711</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	54,099	30,239
Current tax liabilities	13	10,639	-
Shortterm provisions	11	8,789	8,575
<b>Total current liabilities</b>		<b>73,527</b>	<b>38,814</b>
<b>Non current liabilities</b>			
Deferred tax liabilities	14	1,303	950
<b>Total non current liabilities</b>		<b>1,303</b>	<b>950</b>
<b>Total liabilities</b>		<b>74,830</b>	<b>39,764</b>
<b>Net assets</b>		<b>557,734</b>	<b>585,947</b>
<b>Equity</b>			
Issued capital	12	567,000	598,500
Retained earnings		(9,266)	(12,553)
<b>Total equity</b>		<b>557,734</b>	<b>585,947</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

### Statement of cash flows As at 30 June 2008

	Note	2008 \$	2007 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		934,290	793,873
Payments to suppliers and employees		(859,175)	(769,219)
Interest received		15,468	14,746
Income taxes paid		7,740	(23,218)
<b>Net cash provided by (used in) operating activities</b>	<b>16(a)</b>	<b>98,323</b>	<b>16,182</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		(1,931)	(51,100)
<b>Net cash provided by (used in) investing activities</b>		<b>(1,931)</b>	<b>(51,100)</b>
Dividends paid		(50,819)	-
Return of capital paid		(23,770)	(27,948)
<b>Net cash provided by (used in) financing activities</b>		<b>(74,589)</b>	<b>(27,948)</b>
<b>Net increase (decreases) in cash held</b>		<b>21,803</b>	<b>(62,866)</b>
Cash and cash equivalents at beginning of financial year		316,988	379,854
<b>Cash and cash equivalents at end of financial year</b>	<b>16(b)</b>	<b>338,791</b>	<b>316,988</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

### Statement of changes in equity As at 30 June 2008

	Note	Ordinary shares \$	Retained earnings \$	Total \$
<b>2008</b>				
Balance at 1 July 2007		598,500	(12,553)	585,947
Profit after tax		-	66,287	66,287
Capital return		(31,500)	-	(31,500)
<b>Subtotal</b>		<b>(31,500)</b>	<b>66,287</b>	<b>34,787</b>
Dividends paid or provided for	5	-	(63,000)	(63,000)
<b>Balance at 30 June 2008</b>		<b>567,000</b>	<b>(9,266)</b>	<b>557,734</b>
<b>2007</b>				
Balance at 1 July 2006		630,000	(57,100)	572,900
Profit after tax		-	44,547	44,547
Capital return	5	(31,500)	-	(31,500)
<b>Balance at 30 June 2007</b>		<b>598,500</b>	<b>(12,553)</b>	<b>585,947</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

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For year ending 30 June 2008

## Note 1. Statement of significant accounting policies

### **(a) General information**

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

The financial report of Dingley Village Financial Services was authorised for issue in accordance with a resolution of Directors on the 17 October 2008.

The financial report covers Dingley Village Financial Services Ltd as an individual entity. Dingley Village Financial Services Ltd is a Company limited by shares, incorporated and domiciled in Australia.

The financial report of Dingley Village Financial Services Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

### **(b) Basis of preparation**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected noncurrent assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### **(c) Comparative figures**

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

### **(d) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

#### Plant and equipment - carrying amount

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

# Notes to the financial statements continued

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## Note 1. Statement of significant accounting policies (continued)

### **(d) Property, plant and equipment (continued)**

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straightline basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

#### Class of fixed asset

Plant and equipment	37.5%
Leasehold improvements	6.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

### **(e) Impairment of assets**

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

### **(f) Intangibles**

#### Amortisation

Amortisation on fixed life intangible assets is charged to the income statement on a straightline basis over the estimated useful lives of intangible assets. The estimated useful lives for intangibles with definite lives are as follows:

Licenses and franchises	5 years
Other intangible assets	5 years

The useful lives of the intangible assets are reviewed on an annual basis and the useful life is altered if estimates have changed significantly.

Gains or losses on the disposal of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the income statement as other operating income or other operating costs, respectively.

# Notes to the financial statements continued

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## Note 1. Statement of significant accounting policies (continued)

### **(g) Cash and cash equivalents**

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

### **(h) Employee benefits**

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

### **(i) Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any nonassessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

### **(j) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

### **(k) Goods and Services Tax (GST)**

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

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

### **(l) Critical accounting estimates and judgments**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the group.

## Notes to the financial statements continued

	Note	2008 \$	2007 \$
<b>Note 2. Revenue</b>			
<b>Operating activities</b>			
services revenue		956,315	800,031
interest received	2(a)	16,645	15,137
other revenue		434	-
<b>Total revenue</b>		<b>973,394</b>	<b>815,168</b>
<b>Interest revenue breakup</b>			
(a) Interest revenue from bank		16,645	15,137
<b>Total interest revenue</b>		<b>16,645</b>	<b>15,137</b>

### Note 3. Profit before income tax includes the following specific items

#### Expenses

Depreciation of property, plant and equipment	15,094	15,620
Amortisation of Intangible assets	10,220	17,087

#### Significant revenue and expenses

The following significant revenue and expense items are relevant to explaining the financial performance:

Franchise margin income	621,465	499,340
Upfront/trailer product commissions	163,543	139,410
Fee income	110,230	107,272
Salaries and wages	(279,767)	(253,478)



## Notes to the financial statements continued

	Note	2008 \$	2007 \$
<b>Note 4. Income tax expense</b>			
<b>a. The components of tax expense comprise:</b>			
Current tax		26,117	-
Originating and reversing temporary differences	14	2,291	-
Arising from previously unrecognised tax loss/tax credit /temporary difference	14	-	(3,056)
		<b>28,408</b>	<b>(3,056)</b>

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

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2007: 30%)		28,408	12,448
Less:			
Tax effect of:			
Tax losses previously not recognised		-	3,723
Recoupment of prior year tax losses not previously brought to account		-	11,781
<b>Income tax attributable to entity</b>		<b>28,408</b>	<b>(3,056)</b>

## Note 5. Dividends

Dividends and distributions paid table

Distributions paid			
Fully franked dividend of 10 (2007: 0) cents per share franked at the tax rate of 30% (2007: 30%)		63,000	-
<b>Total</b>		<b>63,000</b>	<b>-</b>
Balance of franking account at period end adjusted for franking credits arising from:			
payment of provision for income tax		14,595	-
		<b>14,595</b>	<b>-</b>

## Notes to the financial statements continued

	2008 \$	2007 \$
<b>Note 6. Cash and cash equivalents</b>		
Cash on hand	300	300
Bank balances	97,612	59,697
Shortterm bank deposits	240,879	256,991
	<b>338,791</b>	<b>316,988</b>

The effective interest rate on shortterm bank deposits was 7.8% (: 6.3%); these deposits have an average maturity of 90 days.

## Note 7. Trade and other receivables

### Current

Trade receivables	96,481	74,022
Prepayments	7,487	11,590
Other receivables	39,530	24,296
	<b>143,498</b>	<b>109,908</b>

## Note 8. Property plant and equipment

### Plant and equipment

At cost	60,261	58,330
Less accumulated depreciation	(36,797)	(31,373)
<b>Total plant and equipment</b>	<b>23,464</b>	<b>26,957</b>

### Leasehold improvements

At cost	144,981	144,981
Less accumulated depreciation	(59,877)	(50,207)
<b>Total leasehold improvements</b>	<b>85,104</b>	<b>94,774</b>
<b>Total plant and equipment</b>	<b>85,104</b>	<b>94,774</b>
<b>Total property, plant and equipment</b>	<b>108,568</b>	<b>121,731</b>

## Notes to the financial statements continued

### Note 8. Property plant and equipment (continued)

Movements in carrying amounts	Plant and equipment	Improvements	Total
	\$	\$	\$
<b>Current year</b>			
Balance at the beginning of year	26,957	94,774	121,731
Additions	1,931	-	1,931
Depreciation expense	(5,424)	(9,670)	(15,094)
<b>Carrying amount at the end of year</b>	<b>23,464</b>	<b>85,104</b>	<b>108,568</b>
<b>Prior year</b>			
Balance at the beginning of year	32,906	104,445	137,351
Depreciation expense	(5,949)	(9,671)	(15,620)
<b>Carrying amount at the end of year</b>	<b>26,957</b>	<b>94,774</b>	<b>121,731</b>

2008  
\$

2007  
\$

### Note 9. Intangible assets

#### Development costs

Cost	720	720
<b>Net carrying value</b>	<b>720</b>	<b>720</b>

#### Licenses and franchises

Cost	51,100	51,100
Accumulated amortisation and impairment	(12,180)	(1,960)
<b>Net carrying amount</b>	<b>38,920</b>	<b>49,140</b>
<b>Total Intangibles</b>	<b>39,640</b>	<b>49,860</b>

## Notes to the financial statements continued

### Note 9. Intangible assets (continued)

<b>(a) Movements in carrying amounts</b>	<b>Development costs \$</b>	<b>License and franchise fees \$</b>	<b>Total \$</b>
<b>Year ended 30 June 2007</b>			
Opening balance	720	12,669	13,389
Additions	-	51,100	51,100
Amortisation	-	(14,629)	(14,629)
<b>Balance at 30 June 2007</b>	<b>720</b>	<b>49,140</b>	<b>49,860</b>
<b>Year ended 30 June 2008</b>			
Opening balance	720	49,140	49,860
Amortisation	-	(10,220)	(10,220)
<b>Balance at 30 June 2008</b>	<b>720</b>	<b>38,920</b>	<b>39,640</b>

	<b>2008 \$</b>	<b>2007 \$</b>
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### Note 10. Trade and other payables

#### Current

#### Unsecured liabilities

Trade payables	29,844	26,686
Dividend payable	12,181	-
Other payables	12,074	3,553
	<b>54,099</b>	<b>30,239</b>

### Note 11. Provisions

Employee entitlements	8,789	8,575
<b>Total</b>	<b>8,789</b>	<b>8,575</b>

## Notes to the financial statements continued

	Note	2008 \$	2007 \$
<b>Note 12. Issued capital</b>			
567,000 (2007: 598,500) Ordinary		567,000	598,500
<b>Total</b>		<b>567,000</b>	<b>598,500</b>

The Company has authorised share capital amounting to \$598,500. A return of capital of 5 cents per share was paid on 1 July 2007.

## Note 13. Tax

### (a) Liabilities

#### Current

Income tax		10,639	-
		<b>10,639</b>	-

#### Non current

#### Deferred tax liability comprises:

Other deferred tax	14	1,303	950
		<b>1,303</b>	<b>950</b>

### (b) Assets

#### Current

Normal tax		-	23,218
		-	<b>23,218</b>

#### Non current

#### Deferred tax assets comprise:

Other deferred tax	14	2,067	4,005
		<b>2,067</b>	<b>4,005</b>

## Notes to the financial statements continued

### Note 14. Deferred tax

	Assets		Liabilities		Net	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
Accrued revenue	–	–	1,303	950	(1,303)	(950)
Other items	2,067	1,921	–	–	2,067	1,921
Tax value of loss carry forwards recognised	–	2,085	–	–	–	2,085
<b>Tax (assets) / liabilities</b>	<b>2,067</b>	<b>4,006</b>	<b>1,303</b>	<b>950</b>	<b>764</b>	<b>3,056</b>
<b>Net tax (assets) / liabilities</b>	<b>2,067</b>	<b>4,006</b>	<b>1,303</b>	<b>950</b>	<b>764</b>	<b>3,056</b>

	2008	2007
	\$	\$

### Note 15. Auditors' remuneration

Remuneration of the Auditor of the entity for:

Auditing the financial report	7,750	7,200
Taxation services provided by related practice or Auditor	2,250	4,275

### Note 16. Cash flow information

#### (a) Reconciliation of cash flow from operations with profit after income tax

Net income/loss for the period	66,286	44,547
<b>Cash flows excluded from profit attributable to operating activities</b>		
<b>Non cash flows in profit</b>		
Amortisation	10,220	17,088
Depreciation	15,094	15,619
(Increase)/decrease in trade and term receivables	(33,591)	(31,505)
Increase/(decrease) in trade payables and accruals	3,951	(146)
Increase/(decrease) in income taxes payable	33,857	(23,217)
Increase/(decrease) in deferred taxes payable	2,292	(3,056)
Increase/(decrease) in provisions	214	(3,148)
	<b>98,323</b>	<b>16,182</b>

## Notes to the financial statements continued

	2008 \$	2007 \$
Note 16. Cash flow information (continued)		
<b>(b) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	338,791	316,988
	<b>338,791</b>	<b>316,988</b>

## Note 17. Capital and leasing commitments

### Operating lease commitments

Noncancellable operating leases contracted for but not capitalised in the financial statements

Payable minimum lease payments not later than 12 months	50,000	50,000
	<b>50,000</b>	<b>50,000</b>

Rental of premises.

## Note 18. Contingent liabilities and contingent assets

The Company entered into a new lease agreement for its premises commencing on the 21 April 2007 at an annual rate of \$50,000. The Company however has continued to be invoiced at the previous amount resulting in a potential additional liability of \$13,420.

## Note 19. Segment reporting

The Company operates predominately in one business and geographical segment being the bank industry in the state of Victoria.

## Note 20. Events after the balance sheet date

(a) No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Company or the state of affairs of the Company in future financial years.

# Notes to the financial statements continued

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## Note 21. Financial instruments

### **(a) Financial risk management**

Dingley Village Financial Services Ltd's financial instruments consist mainly of deposits with banks, local money market instruments, shortterm investments, accounts receivable and payable, bills and leases.

Dingley Village Financial Services Ltd does not have any derivative financial instruments at 30 June 2008.

### **(b) Financial risk management - Treasury risk management**

#### Treasury risk management

The Directors meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

### **(c) Financial risk management - Financial risks**

#### Financial risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

#### Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

#### Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies.

#### Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

#### Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

#### Price risk

The Company is not exposed to any material commodity price risk.



## Notes to the financial statements continued

### Note 21. Financial instruments (continued)

#### (d) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating interest rate	
	2008	2007	2008	2007
	%	%	\$	\$

#### Financial assets:

Cash and cash equivalents	0.05	0.05	97,912	59,997
Short term deposits	7.50	6.30	240,879	259,991
Receivables	-	-	-	-
<b>Total financial assets</b>			<b>338,791</b>	<b>319,988</b>

#### Financial liabilities:

Trade and sundry payables	-	-	-	-
<b>Total financial liabilities</b>			<b>-</b>	<b>-</b>

	Non interest bearing		Total	
	2008	2007	2008	2007
	\$	\$	\$	\$

#### Financial assets:

Cash and cash equivalents	-	-	97,912	59,997
Short term deposits	-	-	240,879	259,991
Receivables	143,499	109,908	143,499	109,908
<b>Total financial assets</b>	<b>143,499</b>	<b>109,908</b>	<b>482,290</b>	<b>429,896</b>

#### Financial liabilities:

Trade and sundry payables	62,888	38,814	62,888	38,814
<b>Total financial liabilities</b>	<b>62,888</b>	<b>38,814</b>	<b>62,888</b>	<b>38,814</b>

# Notes to the financial statements continued

## Note 21. Financial instruments (continued)

### (e) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

## Note 22. Change in accounting policy

The following Australian Accounting Standards have been issued or amended and are applicable to the to the Company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

<b>AASB amendment</b>	<b>AASB standard affected</b>	<b>Nature of change in accounting policy and impact</b>	<b>Application date of the standard</b>	<b>Application date for the Company</b>
AASB 200708	AASB 101: Presentation of Financial Statements	The statement requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1 January 2009	1 July 2009

## Note 23. Company details

### Registered office

The registered office of the Company is:  
9 Wyndarra Crescent,  
Dingley Village VIC 3172

### Principal place of business

The principal places of business are:  
Dingley Village Financial Services Ltd  
83 Centre Dandenong Road,  
Dingley VIC 3172


# Director's declaration

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5, present fairly the Company's financial position as at 30 June 2008 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements;
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Michael Howard Benjamin**  
Director



**Michel Andre Dzurek**  
Director



**Bryan Ford**  
Director



**Robert Allan Bowden**  
Director

Dingley, Victoria

Dated 17 October 2008.

# Independent audit report

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## **Report on the financial report**

We have audited the accompanying financial report of Dingley Village Financial Services Ltd, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended that date a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

## **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **Auditor's responsibility**

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

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

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

## **Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Dingley Village Financial Services Ltd on 30 June 2008, would be in the same terms if provided to the Directors as at the date of this Auditor's report.

# Independent audit report continued

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## **Auditor's opinion**

In our opinion the financial report of Dingley Village Financial Services Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Aston, Ryan and Malcolm  
Certified Practising Accountants

**Andrew White**

Dingley, Victoria

17 October 2008

Dingley Village **Community Bank**<sup>®</sup> Branch  
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Phone: (03) 9551 6111 Fax: (03) 9551 6699

Franchisee: Dingley Village Financial Services Limited  
83B Centre Dandenong Road, Dingley Village VIC 3175  
ABN 27 098 041 493

[www.bendigobank.com.au](http://www.bendigobank.com.au)

Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550  
ABN 11 068 049 178. AFSL 237879. (BMPAR8027) (08/08)

