

# annual report 2009



Dingley Village  
Financial Services Limited  
ABN 27 098 041 493

Dingley Village **Community Bank**<sup>®</sup> Branch

# Contents

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<b>Chairman's report</b>	<b>2-3</b>
<b>Manager's report</b>	<b>4-5</b>
<b>Bendigo and Adelaide Bank Ltd report</b>	<b>6</b>
<b>Directors' report</b>	<b>7-9</b>
<b>Auditor's independence declaration</b>	<b>10</b>
<b>Financial statements</b>	<b>11-14</b>
<b>Notes to the financial statements</b>	<b>15-28</b>
<b>Directors' declaration</b>	<b>29</b>
<b>Independent audit report</b>	<b>30-31</b>
<b>Profit and loss account</b>	<b>32-33</b>

# Chairman's report

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For year ending 30 June 2009

Dingley Village kicks goals in tough times.

Welcome to the eighth Annual Report. How time goes quickly!!

The financial year we report on here will be remembered as the toughest year for banking as the Global Financial Crisis (GFC) had its effects on the banking industry in Australia.

The challenge of the GFC also provided a test for our **Community Bank**<sup>®</sup> branch so as the profits are split 50/50 so too must be the losses.

As interest rates dropped so rapidly at the end of 2008 the profit margin on deposits turned to losses. Simply, banks make money on the difference between the loan rate and the deposit rate. Usually the loan rate is higher and that is called the income margin. If interest on a deposit is offered at a rate at the end of the term which is higher than the loan rate losses follow. You can't have a deposit rate higher than the loan rate. But as loan rates drop suddenly this is the effect as deposits are usually fixed for a short term.

Fortunately our Company's mix of deposits, loans and other ancillary products such as leases, insurance, financial planning, etc. is broad enough to cushion the losses incurred on deposits held over the three or four months that rates dropped.

Losses like this affected our monthly profits for that period and are out of our control but they do provide opportunities for us.

The GFC saw a movement away from non-bank institutions back to banks due to security and government guarantees. We observed far greater growth over \$25 million than budgeted for \$15 million. Our book size grew from \$90 to \$120 million over the year which was equivalent to our first and second year growths respectively and traditionally the biggest growth years.

So the positive side of the GFC was a huge increase in depositors. The opportunity for us therefore was to engage with the many new customers who had deposited with us and our objective is to retain them by displaying our service, standards and our **Community Bank**<sup>®</sup> story.

Notwithstanding the downturn in the economy, we made some milestones during the year, passing the \$100 and \$120 million mark and also distributed \$170,000 of our profits through our community grants scheme with the Bendigo and Adelaide Bank Ltd's Community Enterprise<sup>™</sup> Foundation.

In addition to achieving those goals we contributed with Kingston Council to the new electronic scoreboard in Souter Oval for both the football and cricket clubs to use for many years to come.

We also distributed over \$100,000 in marketing and sponsorship grants as well as returned \$63,000 to shareholders.

## Chairman's report continued

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By any measure the continued success of our **Community Bank**<sup>®</sup> branch passed its most testing year and is positioned well for our near future.

During the year we negotiated a new lease for new premises in the shopping centre to accommodate the Bendigo and Adelaide Bank Ltd's new "Branch of the future" model, which will open before the end of the year. The new style of sit down and engagement and advice transaction will show that we have really come of age and our foundation built in the last eight years has positioned us now to continue to grow and provide even greater returns to the community and shareholders.

My thanks again to my fellow Directors for the continued passion to drive the business in a difficult year and to Mark Myers and his committed team to accept the challenges and to achieve the results we did, again shows the great teamwork from all and the success of our **Community Bank**<sup>®</sup> branch.

With our runs on the scoreboard and the goals we have kicked this year, may our success continue with the exciting new branch in the New Year ahead and beyond.



**Michael Benjamin**  
**Chairman**

# Manager's report

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For year ending 30 June 2009

The past financial year has seen our Dingley Village **Community Bank**<sup>®</sup> Branch grow substantially in both balances and account numbers. Our balances (which incorporates deposit and loan facilities) increased from \$90 million to \$120 million; overall growth of \$30 million in the past financial year which is an excellent result. I'm sure everyone is aware of the challenges that faced all industries in this financial year, and banking was no exception.

Our account numbers now total 5,743. It's amazing to think that we opened in 2002 and nearly 6,000 people have faith in what we do and the branch has always received incredible support from the local Dingley Village community. It is also interesting to see the increased numbers of accounts being opened by people who reside in suburbs surrounding Dingley Village. It shows the **Community Bank**<sup>®</sup> concept is getting out there.

This year has demonstrated that our business is maturing. We have continued to grow and our results continue to improve which is fantastic for the local community. As our business grows, so does our profile in Dingley Village and surrounding areas. These results are driven by a number of people who I personally would like to thank for their continued support and contributions throughout the year.

My staff, without capable staff we would not have such a successful business; they continue to provide a standard of service that we are very proud of. Our 10 Directors, all give their time freely, and I thank them for their support of myself and my staff. A lot of people don't realise that the Directors are volunteers. Their passion for Dingley Village and our **Community Bank**<sup>®</sup> branch contributes greatly to our success.

Bendigo and Adelaide Bank Ltd, our partner in business, continue to help communities like ours Australia wide re-establish banking services and provide profits to support these communities. The **Community Bank**<sup>®</sup> model continues to prove its worth and sustainability over a 10 year period.

Again this year we have supported many community groups, sporting clubs, schools, charity organisations and many other groups. and will continue to do so over the coming 12 months. We are pleased to be able to do this and are proud of what we have achieved to date. We are now starting to sponsor events, clubs, and groups in areas surrounding Dingley Village, hoping to increase our brand recognition and therefore continue to grow our branch.

At our Annual General Meeting we will again announce the winner of the Ron Vogt Memorial Award for Outstanding Service to the Community. Ron was a tireless contributor to Dingley Village and is one of the reasons Dingley Village is such a great place to be a part of. The recipient of the Ron Vogt Memorial Award winner will receive \$1000 to be donated to the charity of their choice. We are honoured to be associated with this prestigious award and thank the Dingley Village Neighbourhood Centre for the strong relationship we have with them.

Ultimately, the success of Dingley Village Financial Services Limited and the **Community Bank**<sup>®</sup> branch is due to our wonderful shareholders. Without the start up capital to leverage this business, and your

## Manager's report continued

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continued support, we wouldn't have the business we have today and the Dingley Village community wouldn't have a bank branch. As we all know a bank branch is vital to any town, whether metropolitan or regional. Without our bank branch our community wouldn't have access to the funds we make available annually and who knows what could have happened to the Dingley Village shopping strip.

Thanks to the shareholders, we have taken control of our own destiny and helped shape the future of Dingley Village, it's communities and our own futures. Thank you for your faith and vision, your ability to see what can be achieved and your patience as we build our business. We look forward to the coming years allowing all of us, our community and our shareholders, to continue to benefit from our foresight and our commitment to the **Community Bank**<sup>®</sup> model.

My staff and I look forward to the opening of our new "branch of the future" style branch towards the end of the year, and welcome all of you to come and see the new way banking is done. This new branch will continue to show that Dingley Village is a leader amongst its peers. Not only will the branch be larger, creating new employment opportunities for local people but the technology will be state of the art.

Many people are not aware of the full product range our **Community Bank**<sup>®</sup> branch provides. We offer a full range of insurances, house, contents, car and boat insurance, we provide home loans, investment loans and lines of credit as well as business loans and equipment finance facilities not to mention everyday banking services, We have a specialised financial planner, Elizabeth Foley, who will assist with your investment, superannuation or retirement plans and a dedicated Business Banking Manager Christine Carter who can assist you achieve your business plans. I would like to pass on my thanks to both Elizabeth and Christine who have been critical to our growth over the past year.

On closing I would like to add that our job is far from complete. Not everyone in Dingley Village banks with us and not every customer who banks with us has "all their banking" with us. To continue our success we need to increase our client base and the number of accounts each customer has. I urge you all to tell all your friends and family about the benefits of banking with our Dingley Village **Community Bank**<sup>®</sup> Branch and look forward to seeing you all in your new branch.



**Mark Myers**  
**Branch Manager**

# Bendigo and Adelaide Bank Ltd report

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For year ending 30 June 2009

2008/09 will go down as one of the most tumultuous financial years in history. The global financial crisis and its aftermath wiped trillions of dollars off the world's net wealth. Some of the biggest names in international banking disappeared; many other banks – vastly bigger than Bendigo and Adelaide Bank Ltd – turned to governments to bail them out. Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

In short, we have seen the biggest financial meltdown since the Great Depression of nearly 80 years ago.

Amidst all that turmoil, though, our grassroots banking movement marched steadily on. Twenty new **Community Bank**<sup>®</sup> branches joined Bendigo and Adelaide Bank Ltd's national network. Around 120,000 new customers switched to the Bendigo style of banking. And 70 more communities continued their local campaign to open a **Community Bank**<sup>®</sup> branch.

Those statistics are impressive in themselves, but it is the story behind them that is really important.

That's the story of ordinary people – an awful phrase, but you know what I mean – who inherently understand that the role of a bank is to feed into prosperity, rather than profit from it. That lesson was forgotten by many bankers across the globe, with devastating consequences. But it is now well understood by the residents of 237 towns and suburbs that own their own **Community Bank**<sup>®</sup> branch, because every day they see the fruits of their investment in locally owned banking.

Again, the statistics are impressive enough – \$29 million paid out in community projects and nearly \$11 million in local shareholder dividends. But again, the real stories lie behind the numbers – new community centres and fire trucks, more local nurses, new walking tracks and swimming pools, safer young drivers, more trees and fewer wasteful incandescent globes, innovative water-saving projects... the list goes on.

And of course more money retained and spent locally. And more jobs. Fifteen hundred or so just in the branches alone. More because of the flow-on, or multiplier, effect of those wages being spent locally. And yet more because of the extra shopping now done in communities made more prosperous and active by having their own bank branch.

**Community Bank**<sup>®</sup> branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, they have received less income than in normal times. But also like Bendigo and Adelaide Bank Ltd, they have not needed anyone's help to get through this crisis. And every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities. For the better of all.



**Russell Jenkins**  
**Chief General Manager**

# Directors' report

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For year ending 30 June 2009

Your Directors present their report on the Company for the financial year ended 30 June 2009.

## 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

Christopher Gerard Malone

Karl Andrew Pickford

Bryan Ford

Suzanne Mary Barry

Donald Ewart Chenery

Robert Allan Bowden

Darren Bodey

Leigh Menzel

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 \$34,842.

### b Dividends paid or declared

A dividend of 10 cents per share was declared on 26 November 2008.



# 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 2009 has been received and can be found on page 10 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	11
Michel Dzuirek	11	10
Christopher Malone	11	10
Karl Pickford	11	10
Bryan Ford	11	10
Suzanne Barry	11	8
Donald Chenery	11	10
Robert Bowden	11	8
Leigh Menzel	11	9
Darren Bodey	11	9

### 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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### 3. Other items (continued)

#### 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 Dzuirek**  
**Director**

Dated 25 September 2009

# Auditor's independence declaration

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## **Auditors Independence Declaration under Section 307C of the Corporations Act 2001**

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

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

Aston, Ryan and Malcolm

**Andrew White**

25 September 2009

Dingley, Victoria

# Financial statements

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## Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	985,420	973,394
Employee benefits expense		(377,019)	(333,729)
Depreciation, amortisation and impairments	3	(23,757)	(25,314)
Sponsorship and marketing		(318,790)	(293,563)
Occupancy expenses		(87,753)	(96,445)
Other expenses		(128,326)	(129,647)
<b>Profit before income tax</b>		<b>49,775</b>	<b>94,696</b>
Income tax expense	4	(14,933)	(28,409)
<b>Profit for the year</b>		<b>34,842</b>	<b>66,287</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

### Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	295,195	338,791
Trade and other receivables	7	167,612	143,498
Current tax receivable	13	13,903	-
<b>Total current assets</b>		<b>476,710</b>	<b>482,289</b>
<b>Non current assets</b>			
Property, plant and equipment	8	95,031	108,568
Deferred tax assets	14	2,273	2,067
Intangible assets	9	29,420	39,640
<b>Total non current assets</b>		<b>126,724</b>	<b>150,275</b>
<b>Total assets</b>		<b>603,434</b>	<b>632,564</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	61,172	54,099
Current tax liabilities	13	-	10,639
Short term provisions	11	7,576	8,789
<b>Total current liabilities</b>		<b>68,748</b>	<b>73,527</b>
<b>Non current liabilities</b>			
Deferred tax liabilities	14	5,110	1,303
Total non current liabilities		5,110	1,303
<b>Total liabilities</b>		<b>73,858</b>	<b>74,830</b>
<b>Net assets</b>		<b>529,576</b>	<b>557,734</b>
<b>Equity</b>			
Issued capital	12	567,000	567,000
Retained earnings		(37,424)	(9,266)
<b>Total equity</b>		<b>529,576</b>	<b>557,734</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

### Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		970,456	934,290
Payments to suppliers and employees		(938,414)	(859,175)
Interest received		15,514	15,468
Income taxes paid		(35,873)	7,740
<b>Net cash provided by (used in) operating activities</b>	<b>16(a)</b>	<b>11,683</b>	<b>98,323</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		-	(1,931)
Net cash provided by (used in) investing activities		-	(1,931)
Dividends paid		(53,290)	(50,819)
Return of Capital Paid		(1,989)	(23,770)
<b>Net cash provided by (used in) financing activities</b>		<b>(55,279)</b>	<b>(74,589)</b>
<b>Net increase (decreases) in cash held</b>		<b>(43,596)</b>	<b>21,803</b>
Cash and cash equivalents at beginning of financial year		338,791	316,988
<b>Cash and cash equivalents at end of financial year</b>	<b>16(b)</b>	<b>295,195</b>	<b>338,791</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

### Statement of changes in equity As at 30 June 2009

	Note	Ordinary shares \$	Retained earnings \$	Total \$
<b>2009</b>				
Balance at 1 July 2007		567,000	(9,266)	557,734
Profit after tax		-	34,842	34,842
Sub total		-	34,842	34,842
Dividends paid or provided for	5	-	(63,000)	(63,000)
<b>Balance at 30 June 2009</b>		<b>567,000</b>	<b>(37,424)</b>	<b>529,576</b>
<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)
Sub total		(31,500)	66,287	34,787
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>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

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For year ending 30 June 2009

## 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 24 September 2009.

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 non current 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 straight line 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 straight line 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 short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

### **(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 on costs. 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 non assessable 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	2009 \$	2008 \$
<b>Note 2. Revenue</b>			
<b>Operating activities</b>			
services revenue		972,215	956,315
interest received	2(a)	13,205	16,645
other revenue		-	434
<b>Total revenue</b>		<b>985,420</b>	<b>973,394</b>
<b>Interest revenue breakup</b>			
(a) Interest revenue from:			
bank		13,205	16,645
<b>Total interest revenue</b>		<b>13,205</b>	<b>16,645</b>

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

<b>Expenses</b>			
Depreciation of property, plant and equipment		13,537	15,094
Amortisation of Intangible assets		10,220	10,220
<b>Significant revenue and expenses</b>			
The following significant revenue and expense items are relevant to explaining the financial performance:			
Franchise margin income		579,132	621,465
Upfront/trailer product commissions		243,232	163,543
Fee income		106,849	110,230
Salaries and wages		(324,257)	(279,767)

## Notes to the financial statements continued

	Note	2009 \$	2008 \$
<b>Note 4. Income tax expense</b>			
<b>a The components of tax expense comprise:</b>			
Current tax		11,331	26,117
Originating and reversing temporary differences	14	3,601	2,291
		<b>14,932</b>	<b>28,408</b>
<b>b The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:</b>			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)		14,932	28,408
Less:			
Tax effect of:			
<b>Income tax attributable to entity</b>		<b>14,932</b>	<b>28,408</b>

## Note 5. Dividends

### Dividends and distributions paid table

Distributions paid			
Fully franked dividend of 10 (2008: 0) cents per share franked at the tax rate of 30% (2008: 30%)		63,000	63,000
<b>Total</b>		<b>63,000</b>	<b>63,000</b>
<b>Balance of franking account at period end adjusted for franking credits arising from:</b>			
Payment of provision for income tax		27,810	27,000
Dividends recognised as receivables, and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years		(27,000)	(27,000)
		<b>810</b>	<b>-</b>

## Notes to the financial statements continued

	2009 \$	2008 \$
<b>Note 6. Cash and cash equivalents</b>		
Cash on hand	300	300
Bank balances	38,569	97,612
Short term bank deposits	256,326	240,879
	<b>295,195</b>	<b>338,791</b>

The effective interest rate on short term bank deposits was 3.9% (: 7.8%); these deposits have an average maturity of 90 days.

## Note 7. Trade and other receivables

### Current

Trade receivables	98,240	96,481
Prepayments	53,144	7,487
Other receivables	16,228	39,530
	<b>167,612</b>	<b>143,498</b>

## Note 8. Property plant and equipment

### Plant and equipment

#### Plant and equipment

At cost	60,261	60,261
Less accumulated depreciation	(40,663)	(36,797)
<b>Total plant and equipment</b>	<b>19,598</b>	<b>23,464</b>

#### Leasehold improvements

At cost	144,981	144,981
Less accumulated depreciation	(69,548)	(59,877)
<b>Total leasehold improvements</b>	<b>75,433</b>	<b>85,104</b>
<b>Total plant and equipment</b>	<b>75,433</b>	<b>85,104</b>
<b>Total property, plant and equipment</b>	<b>95,031</b>	<b>108,568</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	23,464	85,104	108,568
Depreciation expense	(3,866)	(9,671)	(13,537)
<b>Carrying amount at the end of year</b>	<b>19,598</b>	<b>75,433</b>	<b>95,031</b>
<b>Prior 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>

	2009 \$	2008 \$
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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	(22,400)	(12,180)
<b>Net carrying amount</b>	<b>28,700</b>	<b>38,920</b>
<b>Total intangibles</b>	<b>29,420</b>	<b>39,640</b>

## Notes to the financial statements continued

### Note 9. Intangible assets (continued)

#### (a) Movements in carrying amounts

	Development costs \$	License and franchise fees \$	Total \$
<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>Year ended 30 June 2009</b>			
Opening balance	720	38,920	39,640
Amortisation	-	(10,220)	(10,220)
<b>Balance at 30 June 2009</b>	<b>720</b>	<b>28,700</b>	<b>29,420</b>

	2009 \$	2008 \$
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### Note 10. Trade and other payables

#### Current

##### Unsecured liabilities

Trade payables	27,821	29,844
Dividend payable	21,891	12,181
Other payables	11,460	12,074
	<b>61,172</b>	<b>54,099</b>

### Note 11. Provisions

Employee entitlements	7,576	8,789
<b>Total</b>	<b>7,576</b>	<b>8,789</b>

### Note 12. Issued capital

567,000 (2008: 567,000) Ordinary	567,000	567,000
<b>Total</b>	<b>567,000</b>	<b>567,000</b>

The Company has authorised share capital amounting to \$567,000.

## Notes to the financial statements continued

	Note	2009 \$	2008 \$
<b>Note 13. Tax</b>			
<b>(a) Liabilities</b>			
<b>Current</b>			
Income tax		-	10,639
		-	<b>10,639</b>
<b>Non current</b>			
Deferred tax liability comprises:			
Other deferred tax	14	5,110	1,303
		<b>5,110</b>	<b>1,303</b>
<b>(b) Assets</b>			
<b>Current</b>			
Normal tax		13,903	-
		<b>13,903</b>	-
<b>Non current</b>			
Deferred tax assets comprise:			
Other deferred tax	14	2,273	2,067
		<b>2,273</b>	<b>2,067</b>

## Note 14. Deferred tax

	Assets		Liabilities		Net	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>Recognised deferred tax</b>						
Accrued revenue	-	-	5,110	1,303	(5,110)	(1,303)
Other items	2,273	2,067	-	-	2,273	2,067
<b>Tax (assets) / liabilities</b>	<b>2,273</b>	<b>2,067</b>	<b>5,110</b>	<b>1,303</b>	<b>(2,837)</b>	<b>764</b>
<b>Net tax (assets) / liabilities</b>	<b>2,273</b>	<b>2,067</b>	<b>5,110</b>	<b>1,303</b>	<b>(2,837)</b>	<b>764</b>



## Notes to the financial statements continued

	2009 \$	2008 \$
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### Note 15. Auditors' remuneration

#### Remuneration of the Auditor of the entity for:

Auditing the financial report	8,500	7,750
Taxation services provided by related practice or Auditor	4,730	2,250

### Note 16. Cash flow information

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

Net income/loss for the period	34,843	66,286
Cash flows excluded from profit attributable to operating activities		
Non cash flows in profit		
Amortisation	10,220	10,220
Depreciation	13,537	15,094
(Increase)/decrease in trade and term receivables	(24,113)	(33,591)
(Increase)/decrease in deferred tax assets	(206)	-
Increase/(decrease) in trade payables and accruals	(650)	3,951
Increase/(decrease) in income taxes payable	(24,542)	33,857
Increase/(decrease) in deferred taxes payable	3,807	2,292
Increase/(decrease) in provisions	(1,213)	214
	<b>11,683</b>	<b>98,323</b>

#### (b) Reconciliation of cash

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	295,195	338,791
	<b>295,195</b>	<b>338,791</b>

## Notes to the financial statements continued

	2009 \$	2008 \$
<b>Note 17. Capital and leasing commitments</b>		
<b>Operating lease commitments</b>		
Non cancellable operating leases contracted for but not capitalised in the financial statements		
Payable minimum lease payments		
not later than 12 months	53,000	50,000
	<b>53,000</b>	<b>50,000</b>

Rental of premises.

## Note 18. Segment reporting

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

## Note 19. Events after the balance sheet date

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.

## Note 20. Financial instruments

### (a) Financial risk management

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

Dingley Village Financial Services Ltd does not have any derivative financial instruments at 30 June 2009.

### (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.

# Notes to the financial statements continued

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## Note 20. Financial instruments (continued)

### **(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 20. 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	
	2009 %	2008 %	2009 \$	2009 \$
<b>Financial assets:</b>				
Cash and cash equivalents	0.01	0.05	38,869	97,912
Short term deposits	3.48	7.50	256,326	240,879
Receivables	-	-	-	-
<b>Total financial assets</b>			<b>295,195</b>	<b>338,791</b>
<b>Financial liabilities:</b>				
Trade and sundry payables	-	-	-	-
<b>Total financial liabilities</b>			-	-

	Non-interest bearing		Total	
	2009 \$	2008 \$	2009 \$	2009 \$
<b>Financial assets:</b>				
Cash and cash equivalents	-	-	38,869	97,912
Short term deposits	-	-	256,326	240,879
Receivables	167,612	143,499	167,612	143,499
<b>Total financial assets</b>	<b>167,612</b>	<b>143,499</b>	<b>462,807</b>	<b>482,290</b>
<b>Financial liabilities:</b>				
Trade and sundry payables	61,171	54,099	61,171	54,099
<b>Total financial liabilities</b>	<b>61,171</b>	<b>54,099</b>	<b>61,171</b>	<b>54,099</b>

# Notes to the financial statements continued

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## Note 20. 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 21. 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 2007 08	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 22. 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

# Directors' declaration

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 - 28, present fairly the Company's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements;
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Michael Howard Benjamin**  
**Director**



**Michel Andre Dzuirek**  
**Director**

Dingley, Victoria

Dated 25 September 2009

# Independent audit report

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## **Independent audit report to the members of Dingley Village Financial Services Ltd**

### **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 2009, 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 2009, 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 2009 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

## **Andrew White**

Dingley

25 September 2009



# Profit and loss account

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## Disclaimer

The additional financial data presented on 32 - 33 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2009. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Dingley Village Financial Services Ltd) in respect of such data, including any errors of omissions therein however caused.

## Aston, Ryan and Malcolm

Dingley

25 September 2009

	2009 \$	2008 \$
<b>Income</b>		
Fees	728,982	781,695
Commissions	243,233	174,620
Interest income	13,205	16,645
Other revenue	-	434
<b>Total income</b>	<b>985,420</b>	<b>973,394</b>
<b>Less: Expenses</b>		
Accounting fees	4,730	2,250
Advertising	1,100	2,933
Amortisation	10,220	10,220
Auditors remuneration	8,500	7,750
Bad debts	1,325	1,520
Bank charges	71	1,120
Board expenses	7,440	3,406
Computer expenses	15,530	14,140
Consulting and professional fees	9,104	5,065
Delivery costs	3,098	3,742
Depreciation	13,537	15,094

## Profit and loss account continued

	2009 \$	2008 \$
<b>Expenses (continued)</b>		
Discounts allowed	501	400
Donations	500	-
Equipment < \$300	669	2,557
Fees and permits	15,463	15,353
Filing fees	1,000	1,000
Freight and cartage	6,972	7,189
Leave pay	2,161	10,948
Other employee costs	2,510	5,869
Other farming expenses	424	424
Postage	3,010	2,361
Printing and stationery	17,516	16,968
Repairs and maintenance	21	2,207
Salaries	321,257	279,767
Staff training	10,492	12,308
Subscriptions	740	301
Sundry expenses	12,612	20,326
Superannuation contributions	40,599	24,837
Travel - domestic	14,010	18,326
Sponsorship and marketing costs	318,790	293,563
Occupancy costs	87,753	96,445
Other operating expenses	3,991	310
<b>Total expenses</b>	<b>(903,766)</b>	<b>(856,387)</b>
	<b>(81,654)</b>	<b>(117,007)</b>
<b>Other items:</b>		
<b>Profit before income tax</b>	<b>81,654</b>	<b>117,007</b>







Dingley Village **Community Bank**<sup>®</sup> Branch  
83b Centre Dandenong Road, Dingley Village VIC 3172  
Phone: (03) 9551 6111 Fax: (03) 9551 6699

Franchisee: Dingley Village Financial Services Limited  
83b Centre Dandenong Road, Dingley Village VIC 3172  
ABN: 27 098 041 493

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Bendigo and Adelaide Bank Limited,  
The Bendigo Centre, Bendigo VIC 3550  
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