

Flemington Financial
Services Limited

ABN 56 100 269 074

annual report 2011



Flemington **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2011

It has been another good year for the Company which has seen a growth in loans and deposits to more than \$72 million.

This has not only increased the profitability of the Company but has enabled the Company to finally extinguish its debt and build on the foundations that were established last year.

The Company will be in a position to declare and pay its second dividend.

The additional profits have also permitted the Company to make a number of financial grants to sporting clubs, schools and community groups within the Flemington area totalling \$15,000, which has not only increased the bank's exposure, but has made the community more aware of what the bank and the Company can provide to the community.

The Company is also sponsoring in conjunction with other **Community Bank**[®] branches of the region projects run by the Moonee Valley Council to enhance and improve community awareness of the Bendigo Bank input into the community.

Special thanks to our Branch Manager, Grant Hopkinson who has at times worked tirelessly in processing some of the grants and ensuring the bank has achieved positive exposure out in the community. Our thanks also goes to the branch staff that have assisted Grant and made the branch operate efficiently and effectively as it does.

The Board also thanks the management of the Bendigo and Adelaide Bank Ltd for the continual guidance and assistance that is has provided to the Board.

The bank and the Board are as only as good as its customers and we would like to thank "U" for your continued support.

We can look back over the last year and see that the Company has continued to advance and with similar growth over the next twelve months the outlook for the future of the Company is certainly very optimistic.



Wayne Simpson
Chairman

Manager's report

For year ending 30 June 2011

Wow... what a year we have had at Flemington. Our profit has gone up again, and the future growth looks great for the coming years.

We had paid our first dividend to the shareholders and we have started working towards our goal of giving back to the community.

I hope you have all seen our newsletter which gave information on the first grants we have been able to distribute, starting with the Unite Football Club, Flemington and Kensington Bowling club, Royal Women's Hospital and the Flemington Chinese Golden Age Group.

In our next newsletter, you will see how we have helped the Flemington Library with new shelving, North Melbourne Language and Learning with computer programs, the Flemington Eagles Soccer Club's trip to Sydney, the students at Melbourne Youth Music and the purchase of practice balls for the Kensington Junior Basketball team.

And it was great to see the ABC News picked up two of our stories and featured them on the seven o'clock news.

This is what we have been working so hard towards for the past eight years, and it might surprise some of you to know that in that time, we have now contributed more than \$80,000 to our community.

This is due to the great support we have received from all of the shareholders in setting up the branch in 2003, and to all of those that support us with their banking. Now more than ever, the more people that bank with us the more we are able to give back in both grants and dividends.

Our **Community Bank**[®] branch is strong and successful and I can assure you that the next five years will be a journey we can all be proud of. Next on our list is organising a community forum, for shareholders and community members throughout Flemington, Kensington and North Melbourne to get together and decide where we can best utilise our growing funds.

Finally as always, a huge thank you to the many people supporting us over the years, for your patience until we became profitable, and the business you give us allowing us to make a difference to our community.



Grant Hopkinson
Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2011

As **Community Bank**[®] shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about organising and strengthening community.

Together, we have reached new heights and achieved many great successes, all of which has been underpinned by our commitment and dedication to the communities we're a part of.

Together we're making extraordinary progress, with more than \$58.25 million returned to support community groups and endeavours since the network was established in 1998.

The returns grow exponentially each year, with \$469 thousand returned within the first five years, \$8.15 million within the first eight and \$22.58 million by the end of the first decade of operation. Based on this, we can predict the community returns should top \$100 million within the next three years, which equates to new community facilities, better health care, increased transport services and generally speaking, more prosperous communities.

Together, we haven't just returned \$58.25 million; there is also the flow on economic impact to consider. Bendigo and Adelaide Bank is in the process of establishing an evidential basis that captures the complete picture and the economic outcomes these initiatives generate. However, the tangible outcomes are obvious. We see it in tenanted shops, increased consumer traffic, retained local capital and new jobs but we know that there are broader elements of community strength beyond the economic indicators, which demonstrate the power of our community models.

It is now evident that branches go through a clear maturity phase, building customer support, generating surpluses and establishing a sustainable income stream. This enables Boards to focus less on generating business and more on the community's aspirations. Bendigo is facilitating this through Director engagement and education, community consultations and other community solutions (Community Enterprise Foundation[™], Community Sector Banking, Community Telco, Generation Green[™] and Community Enterprises) that will provide Boards with further development options.

In Bendigo, your **Community Bank**[®] Board has a committed and successful partner. Our past efforts and continued commitment to be Australia's leading customer-connected bank, that is relevant, connected and valued, is starting to attract attention and reap rewards.

In January, a Roy Morgan survey into customer satisfaction saw Bendigo Bank achieve an industry leading score among Australian retail banks. This was the first time Bendigo Bank has led the overall results since August 2009.

In May, Fitch Ratings upgraded Bendigo and Adelaide Banks Long-Term Issuer Default Rating (IDR) to A- from BBB+. This announcement saw us become the first Australian bank – and one of the very few banks globally – to receive an upgrade since the Global Financial Crisis.

Standard & Poor's revised credit rating soon followed seeing Bendigo and Adelaide Bank shift from BBB+ stable, to BBB+ positive. These announcements reflect the hard and diligent work by all our staff, our sound risk management practices, low-risk funding and balance sheet structure, sound capital ratios and a sustained improvement in profitability.

The strength of our business model – based on our commitment to our customers and the communities that we operate in – is being recognised by all three ratings agencies.

Bendigo and Adelaide Bank Ltd report continued

Over the past year the bank has also added more than 700 additional ATMs through a network sharing agreement with Suncorp Bank, which further enhances our customers' convenience and expands our footprint across the country. In addition to this a further 16 **Community Bank**[®] branches were opened.

The bank has also had a renewed focus on business banking and re-launched our wealth management services through Bendigo Wealth, which oversees the Adelaide Bank, Leveraged Equities, Sandhurst Trustees and financial planning offering.

The **Community Bank**[®] model is unique and successful, it's one of our major points of difference and it enables us to connect with more than 550,000 customers, in excess of 270 communities and make a difference in the lives of countless people.

We are very proud of the model we have developed and we're very thankful for the opportunity to partner with communities to help build their balance sheets.

We thank you all for the part you play in driving this success.



Russell Jenkins
Executive Customer and Community

Directors' report

For the financial year ended 30 June 2011

Your Directors present their report, together with the financial statements for the financial year ended 30 June 2011.

Directors

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

Wayne Simpson (Chairman)

Chartered Accountant

Mark Flynn (Company Secretary)

Commercial lawyer

Matthew Lambelle

General manager

Francis Le Roux

Semi - Retired Bookkeeper

Shane Harrison (Treasurer)

Consultant

Frank Dinoto

Hospitality

John Versace

Manager - retail outlet

John Trioli

Superannuation Consultant

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 Bank**[®] services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Ltd.

There has been no significant changes in the nature of these activities during the year.

Operating results

The profit from ordinary activities of the Company after providing for income tax for the financial year period ending 20 June 2011 \$130,662 (2010: 105,839).

This represented a 23 % increase mainly due to increased income but also assisted by a reduction of interest expenses.

Dividends

Dividends paid or declared for payment during the financial year were as follows:

Ordinary dividend paid on 15 March 2011 - \$24,926.

This dividend was paid from capital.

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.

Directors' report continued

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.

Future developments

The Company will continue its policy to operate a Company **Community Bank**[®] branch under the Franchise agreement.

Directors' benefits

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.

Indemnification and insurance of Directors and Officers

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

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

Directors' meetings

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

Number of meetings held:	10
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Number of meetings attended:	
<hr/>	
Frank Dinoto	5
<hr/>	
Mark Flynn	2
<hr/>	
Shane Harrison (Treasurer)	9
<hr/>	
Matthew Lambelle	5
<hr/>	
Francis Leroux	9
<hr/>	
Wayne Simpson (Chairman)	10
<hr/>	
John Trioli	4
<hr/>	
John Versace	8
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Directors' report continued

Company Secretary

Mark Flynn has been the Company Secretary of Flemington Financial Services Ltd since 2003.

Corporate governance

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

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

Auditor Independence Declaration

The Auditors independence declaration for the year ended 30 June 2011 has been received and can be found after the directors declaration of the financial report.

Signed in accordance with a resolution of the Board of Directors on 27 October 2011.

A handwritten signature in black ink, appearing to be 'Wayne Simpson', written over a light grey circular stamp or watermark.

Wayne Simpson Chairman / Chairperson

Financial statements

Income statement for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue from ordinary activities	3	753,784	626,105
Depreciation and amortisation expense		-12,232	-11,666
Finance costs		-5,253	-20,247
Other expenses from ordinary activities		-539,836	-442,994
Operating profit/(loss) before income tax expense		196,463	151,198
Income tax attributable to operating profit	6	-65,801	-45,360
Operating profit/(loss) after income tax expense		130,662	23,226
Retained profits (accumulated losses) at the beginning of the financial year		-508,406	-614,245
Total available for appropriation		130,662	105,839
Retained profits (accumulated losses) at the end of the financial year		-377,744	-508,406

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet as at 30 June 2011

	Note	2011 \$	2010 \$
Current assets			
Cash & cash equivalents	8	57,582	200
Current tax assets	9	145,485	204,146
Other assets	10	-	-9,000
Total current assets		203,067	195,346
Non current assets			
Property, plant & equipment	11	2,303	0
Intangible assets	12	18,635	30,635
Total non-current assets		20,938	30,635
Total assets		224,005	225,981
Current liabilities			
Trade & other payables	13	16,079	27,564
Financial liabilities	14	-	92,084
Current tax liabilities	15	-334	-334
Provisions	16	3,150	7,923
Total current liabilities		18,895	127,237
Total liabilities		18,895	127,237
Net assets		205,110	98,744
Equity			
Issued capital	17	607,150	606,550
Share application money		-	600
Dividends paid		-24,296	
Retained earnings / (accumulated losses)		-377,744	-508,406
Total equity		205,110	98,744

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows for the year ended 30 June 2011

	2011 \$	2010 \$
Cash flows from operating activities		
Receipts from customers	745,958	623,263
Payments to suppliers and employees	-564,408	-447,909
Interest and other cost of finance	-5,253	-20,247
Net cash flows from/(used in) operating activities	176,297	155,107
Cash flows from investing activities		
Payments for property, plant and equipment	-2,535	-
Net cash flows from/(used in) investing activities	-2,535	0
Cash flow from financing activities		
Dividends paid	-24,296	-
Net cash provided by (used in) financing activities	-24,296	0
Net increase(decrease) in cash held	149,466	155,107
Cash at the beginning of the year	-91,884	-246,991
Cash at end of the year (Note 2)	57,582	-91,884

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2011

Note 1. Statement of significant accounting policies

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

The financial report covers Flemington Financial Services Ltd as an individual entity.

Flemington Financial Services Ltd is a Company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

Income tax

Income tax has been brought to account using the liability method of tax-effect accounting whereby the income tax expenses is based on the profit from ordinary activities adjusted for permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either provision for deferred income tax or an asset described as deferred tax assets at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Deferred tax assets are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Deferred tax assets in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation of the derivation of sufficient future assessable income and compliance with the conditions of deductibility imposed by the law.

Property, plant and equipment

Each class of property, plant and equipment are brought to account at cost or fair value less where applicable any accumulated depreciation.

a/ Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure that it is not in excess of the recoverable amount from those 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 not been discounted to present values in determining the recoverable amounts.

The cost of fixed assets constructed within Flemington Financial Services Ltd includes the costs of materials and direct labour.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Property, plant and equipment (continued)

b/ Depreciation

The depreciable life of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over the useful lives to Flemington Financial Services Ltd, 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.

Intangibles

Franchise Fees are written off on a straight line basis over the period of the franchise agreement.

Employee entitlements

Provision is made for the liability for employee entitlements arising from the services rendered by the employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave, sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at their present value of the estimated future cash flows to be made for those entitlements.

Contributions are made by Flemington Financial Services Ltd to an employee superannuation fund and are charged as an expense when incurred.

Cash

For the purpose of the statement of cash flow, cash includes cash on hand and in all call deposits with banks and financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Comparative figures

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

Revenue

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

Interest is recognised on a receipt basis.

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

Notes to the financial statements continued

	2011 \$	2010 \$
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Note 2. Reconciliation of cash

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

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

Bank overdraft	-	-92084
Cash	57582	200
	57582	-91884

Note 3. Reconciliation of net cash provided by/used in operating activities to net profit

Operating profit (loss) after tax	130,662	105839
Depreciation	232	182
Amortisation	12000	11484
Increase(decrease) in future income tax benefit	65801	45360
Changes in assets and liabilities net effects of purchase and disposal of controlled entities		
(Increase) decrease in prepayments	-9000	9000
Increase (decrease) in other other creditors	-11485	-11485
Increase (decrease) in employee entitlements	-4773	
Increase (decrease) in sundry provisions	-7140	-5273
Net cash provided by operating activities	176,297	155,107

Notes to the financial statements continued

	2011 \$	2010 \$
Note 4. Revenue		
Operating activities		
- Gross margin	536,675	411,891
- Upfront commission	5,862	5,381
- Tractor products commission	84,247	88,540
- Fee commission	76,206	70,710
- Market development fund	50,000	49,583
- Sundry income	794	
	753,784	626,105

Note 5. Profit from ordinary activities

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

Charging as an expense

Amortisation of non-current assets

Franchise fee	12,000	11,484
Total amortisation expense	11,447	11,447

Bad and doubtful debts	7,827	2,842
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Borrowing costs

- Other persons	5,253	20,247
Total borrowing costs	5,253	20,247

Depreciation of non-current assets

- Office equipment	232	
- Computer software		182
Total depreciating expenses	232	182

Notes to the financial statements continued

	2011 \$	2010 \$
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Note 6. Income tax expense

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

Prima facie tax on profit/(loss) before income tax at 30%	58,939	45,360
Add tax effect of:		
- Non-deductible expenses	6,862	
Income tax expense attributable to profit from ordinary activities	65,801	45,360

Note 7. Dividends

Dividends provided for or paid	24,296	
	24,296	

Note 8. Cash & cash equivalents

Cash at bank	37,382	-
Cash on deposit	20,000	
Petty cash	200	200
	57,582	200

Note 9. Current tax assets

GST clearing account	634	-6,506
Deferred tax asset	144,851	210,652
	145,485	204,146

Note 10. Other assets

Prepaid grant monies	-	-9,000
	0	-9,000

Notes to the financial statements continued

	2011 \$	2010 \$
Note: 11. Property plant & equipment		
Building improvements - at cost	146,336	146,336
Less accumulated depreciation	-146,336	-146,336
Computer software - at cost	1,645	1,645
Less accumulated depreciation	-1,645	-1,645
Office equipment - at cost	2,535	
Less accumulated depreciation	-232	
Furniture & fittings - at cost	21,809	21,809
Less accumulated depreciation	-21,809	-21,809
	2,303	0

Note 12. Intangibles

Preliminary expenses	13,775	13,775
Less accumulated amortisation	-13,775	-13,775
Other Intangibles - franchise fee	107,424	107,424
Less accumulated amortisation	-88,789	-76,789
	18,635	30,635

Note 13. Trade & other payables

Unsecured		
Franchise fees - Bendigo and Adelaide Bank Ltd	16,079	27,564
	16,079	27,564

Note 14. Financial liabilities

Unsecured		
Bank - cheque account	-	92,084
	-	92,084

Notes to the financial statements continued

	2011	2010
	\$	\$
Note 15. Current tax liabilities		
TFN withholding tax	-334	-334
	-334	-334

Note 16. Provisions

Superannuation - accrual		4,773
Provision for audit fees	3,150	3,150
	3,150	7,923

Note 17. Issued capital

Ordinary shares at \$1.00 each fully paid	607,150	606,550
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Directors' declaration

In accordance with a resolution of the Directors of Flemington Financial Services 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 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;
- (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; and
- (c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011



Wayne Simpson

Signed at Flemington on 27 October 2011.

Detailed profit and loss statement

Detailed profit and loss statement
for the year ended 30 June 2011

	2011 \$	2010 \$
Income		
Gross margin	536,675	411,891
Upfront commission	5,862	5,381
Trailer products commission	84,247	88,540
Fee income	76,206	70,710
Market Development Fund	50,000	49,583
Sundry income	794	
Total income	753,784	626,105
Expenses		
Advertising	8,532	9,145
Marketing	3,786	6,428
Agents commission	15	4
Amortisation - franchise fees	12,000	11,484
ASIC compliance	3,457	2,119
ATM expense	8,991	6,534
Audit fees	3,150	3,300
Bad debts	7,827	2,842
Bank charges		41
Board expenses	295	71
Cash delivery	12,983	10,212
Cleaning/rubbish removal	5,382	5,684
Credit check/search fees	3,670	-112
Depreciation	232	182
Donations	3,300	
Electricity	8,578	7,638
Fixed assets under \$300	35	175
Freight & delivery charges	6,867	7,131
Fringe benefits tax	1,000	

Detailed profit and loss statement continued

	2011 \$	2010 \$
Expenses (continued)		
IT expenses	11,501	17,700
Insurance	13,220	18,117
Interest	5,253	20,247
Legal fees	364	145
LKS	277	346
Payroll expense	13,016	11,006
Postage	2,246	1,402
Printing & stationery	16,713	10,246
Procedure errors	3,751	335
Rates & taxes	5,322	6,970
Rent	70,327	68,500
Repairs & maintenance - building	1,726	2,623
Repairs & maintenance - other	561	223
Salaries	258,000	191,478
Salary accrual & provisions	22,359	10,852
Security	3,079	2,480
Share register costs	409	
Sponsorships	5,485	1,489
Staff amenities	1,458	1,000
Staff training & development	4,400	5,500
Staff uniform & allowances	1,541	982
Sundry expenses	837	223
Superannuation	17,538	17,118
Telephone	4,983	5,758
Travel accommodation & conference	256	
Workcover	830	1,668
Other employee expenses	2,382	4,541
Uninsured losses	387	80
Total expenses	557,321	474,907
Profit (loss) from ordinary activities before income tax	196,463	151,198

Independent audit report



SPECIALIST AUDITS PTY LTD

ABN: 62 134 128 359

DIRECTOR: JAMES HILBERT

CPA Member: 126171

Reg'd Co Auditor No:8944

Tax Agent

LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FLEMINGTON FINANCIAL SERVICES LIMITED

Scope

I have audited the financial report of Flemington Financial Services Limited for the year ended 30th June 2011 comprising the Statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the director's declaration. The members of the governing body are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to its members.

Audit approach

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia (and relevant statutory and other requirements) so as to present a view which is consistent with our understanding of Flemington Financial Services Limited financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia. The financial position of Flemington Financial Services Limited as at 30th June 2011 and the results of its operations and its cash flows for the year then ended.

Date: 28th October 2011

Auditor: James J Hilbert
Registered Company Auditor 8944

Apartment P1 228 THE AVENUE • PARKVILLE VIC • 3052
PHONE: (03) 9381 4666 MOBILE: 0438 266 922 FAX: 03 93814666

Auditor's independence declaration



SPECIALIST AUDITS PTY LTD

ABN: 62 134 128 359

DIRECTOR: JAMES HILBERT

CPA Member: 126171

Reg'd Co Auditor No:8944

Tax Agent

LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION

Auditor's Independence Declaration

In relation to our audit of the Financial Report of Flemington Financial Services Ltd for the Financial year ended 30th June 2011, 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.

James Hilbert

Principal
SPECIALIST AUDITS PTY LTD
Apartment P1, "ARCADIA"
228 The Avenue,
PARKVILLE VIC 3052

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(BMPAR11003) (06/11)