



annual report **2012**

Flemington Financial Services Limited

ABN 56 100 269 074

Contents

Chairman's report	2
Manager's report	3
Bendigo and Adelaide Bank report	4
Directors' report	6
Financial statements	9
Notes to the financial statements	12
Directors' declaration	18
Detailed profit and loss	19
Independent audit report	21
Auditor's independence declaration	22

Chairman's report

For year ending 30 June 2012

The company has continued to grow, and although the company did not reach budgeted figures, the total of loans and deposits at 30 June 2012 exceeded \$70 million.

The company has had its second year of profit and this has enabled the company to place money on deposit to support the capital backing of the issued capital. It is the objective of the company to place sufficient funds on deposit to the level of the issued capital of the company of \$607,150.

The company has continued to support the community via sponsorship, event advertising and grants to schools, sporting clubs and community groups within the area and has exceeded \$70,000 for the year. The **Community Bank**[®] branch's exposure has increased remarkably as a result and the number of requests for support is continually growing.

The company will declare its third successive dividend.

Grant Hopkinson our Branch Manager has continued on his excellent work from the prior year and the Board of Directors are totally grateful for his efforts and the time outside normal banking hours that he has put in.

Our appreciation goes also to branch staff for not only their assistance to Grant but also their customer service standard.

The support and assistance from the management of the Bendigo and Adelaide Bank is also greatly appreciated.

The company would not be as successful without the support of our customers and shareholders and we appreciate your loyalty and support over the past year and for the future.

The company will continue to strive for growth but is subject to economic influences like all business and if the current levels of business are maintained the viability of the company is assured.



Wayne Simpson
Chairman

Manager's report

For year ending 30 June 2012

Another great year for the branch as we continue to move forward in both profitability and community work throughout 2012.

We've had another great year for the branch, even against some strong competition in the market on top of the general downturn the economy has experienced.

Our total book is just over \$72 million and still growing, although at a slower rate now than in previous years. I still believe that we have achieved this through the support of the shareholders, the great support of Bendigo and Adelaide Bank and the many new and existing customers that now look at us as a first choice bank in their community.

The effort we all made when things were not going well has certainly paid off and we are now into a comfortable monthly profit.

As I look back over the last six years I have been here, and the nine years we have been open as a **Community Bank**[®] branch, I'm stunned and extremely proud that we have now contributed over \$100,000 back to the community.

I mentioned last year about trying to get the community more involved in our branch and what we do when we share our profits with community groups. To this end, we completed our first ever Community Forum on 8 October this year, and have received a number of great ideas for us to look into for the future. I'll keep you updated on the progress of this initiative.

As you can see from the above the **Community Bank**[®] concept is working well, and providing new challenges and great opportunities to help not only Flemington, but Kensington and North Melbourne as well.

Once again, thank you for your help and support in enabling the Flemington **Community Bank**[®] Branch to become a success story.



Grant Hopkinson
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2012

Thanks to your support as shareholders the **Community Bank**[®] network has achieved a significant milestone this year, contributing more than \$80 million to support the communities these unique companies operate within.

This figure was almost unimaginable when the **Community Bank**[®] model was first launched in 1998, in partnership with the people from the small Victorian wheat farming towns of Rupanyup and Minyip. For these communities the **Community Bank**[®] model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. However, in the years since the **Community Bank**[®] model has become so much more.

In the past financial year a further 20 **Community Bank**[®] branches have opened, this growth is in-line with our forecast and consistent with what we have seen in recent years. Demand for the model remains strong and there are currently another 32 **Community Bank**[®] sites in development, with many more conversations happening with communities Australia wide.

At the end of the financial year 2011/12 the **Community Bank**[®] network had achieved the following:

- Returns to community – \$80 million
- **Community Bank**[®] branches – 295
- **Community Bank**[®] branch staff – more than 1,400
- **Community Bank**[®] branch Directors – 1,905
- Volume footings – \$21.75 billion
- Customers – 500,000
- Shareholders – 71,197
- Dividends paid to shareholders – \$28.8 million

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, so they can not only enhance banking services, but more importantly aggregate the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community.

In the past 14 years we have witnessed the **Community Bank**[®] network's returns to communities grow exponentially each year, with \$470,000 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.

Today that figure is an astonishing \$80 million and with the continued growth and popularity of the **Community Bank**[®] model, returns should top \$100 million by the end of 2013. These dollars add up to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco (telecommunications solution), sponsorships, scholarships and Community Enterprises that provide **Community Bank**[®] companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank**[®] company has a committed and strong partner and over the last financial year our company has also seen much success.

Bendigo and Adelaide Bank report (continued)

Last December, our Bank joined the ranks of Australia's A-rated banks following an upgrade announced by Standard & Poor's. Its decision to raise our long-term rating from BBB+ to A- means the Bank (and its **Community Bank**[®] partners) are now rated 'A' by all three of the world's leading credit rating agencies. This is a huge boost to the Bank and will allow us to access new funding opportunities. It will also enable our group to service supporters who were precluded from banking with us because we were not A rated.

The rating upgrade is a welcome boost for the Bank and its partners at a time when funding is expensive and likely to remain so, margins have been eroded across the industry, credit growth is sluggish at best and subsequently, the profitability of banks remains under pressure.

Not surprisingly, these factors continue to place pressure on our Bank's margin and as **Community Bank**[®] margin share is still in part based on fixed trails, this is continuing to reflect a skew in margin share between the Bank and its **Community Bank**[®] partners.

We've been working with the **Community Bank**[®] network to take action to reduce this imbalance (which is in favour of the **Community Bank**[®] partners) and see the share of revenue on core banking products closely aligned to the key principal of 50/50 revenue share. Recent market developments are challenging this goal, but the Bank and its partners remain committed to addressing this.

It's Bendigo and Adelaide Bank's vision to be Australia's leading customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we listen and respect every customer's choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank**[®] shareholders to support us as we work with our partners to deliver on our goals and ensure our sustained and shared success.

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 banking and the role it plays in modern society.

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 2012

Your Directors present their report, together with the financial statements for the financial year ended 30 June 2012.

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	Shane Harrison (Treasurer) Consultant
Mark Flynn (Company Secretary) Commercial lawyer	Frank Dinoto Hospitality
Matthew Lambelle General Manager	John Versace Manager - retail outlet
Frances Le Roux Semi - Retired Bookkeeper	Peter Cribb Retired teacher

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.

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 30 June 2012 \$155,338 (2011: \$130,662). This represented a 18 % increase mainly due to the effect of non deductible expenses in prior years not applying this year.

Dividends

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

- Ordinary dividend paid on 15 March 2012 – \$30,358

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.

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.

Directors' report (continued)

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
Number of meetings attended:	
Frank Dinoto	5
Mark Flynn	2
Shane Harrison (Treasurer)	8
Matthew Lambelle	3
Frances Leroux	8
Wayne Simpson (Chairman)	10
Peter Cribb	2
John Versace	8

Company Secretary

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

Directors' report (continued)

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 2012 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 16 October 2012.



Wayne Simpson
Chairman

Financial statements

Income statement for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue from ordinary activities	4	839,455	753,784
Depreciation and amortisation expense		-14,630	-12,232
Borrowing expenses		-26	-5,253
Other expenses from ordinary activities		-602,026	-539,836
Operating profit/(loss) before income tax expense		222,773	196,463
Income tax attributable to operating profit	6	-67,436	-65,801
Operating profit/(loss) after income tax expense		155,338	130,662
Retained profits (accumulated losses) at the beginning of the financial year		-377,744	-508,406
Total available for appropriation		155,338	130,662
Retained profits (accumulated losses) at the end of the financial year		-222,406	-377,744

The accompanying notes form part of these financial statements.

Financial statements (continued)

Balance sheet as at 30 June 2012

	Note	2012 \$	2011 \$
Current assets			
Cash & cash equivalents	8	204,902	57,582
Receivables	9	43,731	
Current tax assets	10	77,415	145,485
Other assets	11	28,650	-
Total current assets		354,698	203,067
Non current assets			
Property, plant & equipment	12	17,236	2,303
Intangible assets	13	8,143	18,635
Total non-current assets		25,379	20,938
Total assets		380,077	224,005
Current liabilities			
Trade & other payables	14	42,326	16,079
Current tax liabilities	15	4,386	-334
Provisions	16	3,275	3,150
Total current liabilities		49,988	18,895
Total liabilities		49,988	18,895
Net assets		330,089	205,110
Equity			
Issued capital	17	607,150	607,150
Dividends paid	7	-54,655	-24,296
Retained earnings / (accumulated losses)		-222,406	-377,744
Total equity		330,089	205,110

The accompanying notes form part of these financial statements.

Financial statements (continued)

Cash flow statement for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers		790,354	745,958
Payments to suppliers and employees		-597,807	-564,408
Interest and other cost of finance		-26	-5,253
Interest received		4,227	-
Net cash flows from/(used in) operating activities		196,749	176,297
Cash flows from investing activities			
Payments for property, plant and equipment		-19,071	-2,535
Net cash flows from/(used in) investing activities		-19,071	-2,535
Cash flow from financing activities			
Dividends paid		-30,358	-24,296
Net cash provided by (used in) financing activities		-30,358	-24,296
Net increase (decrease) in cash held		147,320	149,466
Cash at the beginning of the year		57,582	-91,884
Cash at end of the year (note 2)		204,902	57,582

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2012

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 nor 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 assess 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 Serves 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)

	2012 \$	2011 \$
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:		
Cash	204,902	57,582
	204,902	57,582

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

Operating profit (loss) after tax	154,638	130,662
Depreciation	4,138	232
Amortisation	10,492	12,000
Decrease (Increase) in future income tax benefit	67,136	65,801
Changes in assets and liabilities net effects of purchase and disposal of controlled entities		
(Increase) decrease in trade debtors	-43,731	
(Increase) decrease in prepayments	-28,650	-9,000
Increase (decrease) in trade & other creditors	32,601	-11,485
Increase (decrease) in employee entitlements	-	-4,772
Increase (decrease) in sundry provisions	125	-7,140
Net cash provided by operating activities	196,749	176,298

Note 4. Revenue

Operating activities		
- Gross margin	630,664	536,675
- Upfront commission	5,125	5,862
- Trailor products commission	77,160	84,247
- Fee commission	70,856	76,206
- Market development fund	50,000	50,000
- Interest	4,230	-
- Sundry income	1,420	794
	839,455	753,784

Notes to the financial statements (continued)

	2012 \$	2011 \$
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	10,492	12,000
Total amortisation expense	10,492	12,000
Bad and doubtful debts	5,270	7,827
Borrowing costs		
- Other persons	25	5,253
Total borrowing costs	25	5,253
Depreciation of non-current assets		
- Office equipment	4,137	232
Total depreciating expenses	4,137	232

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%	66,832	58,939
Add tax effect of:		
- Non-deductible expenses	603	6,862
Income tax expense attributable to profit from ordinary activities	67,435	65,801

Note 7. Dividends

Dividends provided for or paid from capital	2011	24,296	24,296
	2012	30,358	
		54,654	24,296

Note 8. Cash and cash equivalents

Cash at bank	27,443	37,382
Cash on deposit	177,259	20,000
Petty cash	200	200
	204,902	57,582

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 9. Trade receivables		
Trade debtors	43,731	-
	43,731	-

Note 10. Current tax assets

GST Clearing account	-	634
Deferred tax asset	77,415	144,851
	77,415	145,485

Note 11. Other assets

Prepaid expenses	28,650	-
	28,650	0

Note 12. Property plant and 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	21,606	2,535
Less accumulated depreciation	-4,370	-232
Furniture & fittings - at cost	21,809	21,809
Less accumulated depreciation	-21,809	-21,809
	17,236	2,303

Note 13. 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	-99,281	-88,789
	8,143	18,635

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 14. Trade and other payables		
Unsecured		
Trade Creditors	36,414	-
Dividends	1,273	-
Other creditors	4,640	-
Franchise fees - Bendigo and Adelaide Bank	-	16,079
	42,326	16,079

Note 15. Current tax liabilities

GST Clearing account	4,720	
TFN withholding tax	-334	-334
	4,386	-334

Note 16. Provisions

Provision for audit fees	3,275	3,150
	3,275	3,150

Note 17. Issued capital

Ordinary shares at \$1.00 each fully paid	607,150	607,150
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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 2012 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 2012.



Wayne Simpson

Signed at Flemington 16 October 2011.

Detailed profit and loss

Detailed profit and loss statement
for the year ended 30 June 2012

	2012 \$	2011 \$
Income		
Gross margin	630,664	536,675
Upfront commission	5,125	5,862
Trailer products commission	77,160	84,247
Fee income	70,856	76,206
Market Development Fund	50,000	50,000
Sundry income	1,420	794
Interest	4,230	0
Total income	839,455	753,785
Expenses		
Advertising	9,828	8,532
Marketing	5,683	3,786
Agents commission	104	15
Amortisation - Franchise fees	10,492	12,000
ASIC compliance	1,356	3,457
ATM expense	11,083	8,991
Audit fees	2,977	3,150
Bad debts	5,270	7,827
Bank fees	232	
Board expenses	100	295
Cash delivery	7,765	12,983
Cleaning/rubbish removal	9,037	5,382
Credit check/search fees	672	3,670
Depreciation	4,138	232
Donations	-	3,300
Electricity	9,690	8,578
Fines & penalties	110	
Fixed assets under \$300	1,723	35
Freight & delivery charges	7,161	6,867
Fringe benefits tax	278	-
IT expenses	11,220	11,502

Detailed profit and loss (continued)

Detailed profit and loss statement
for the year ended 30 June 2012 (continued)

	2012 \$	2011 \$
Expenses (continued)		
Insurance	12,098	13,221
Interest	26	5,253
Legal fees	1,164	364
LKS	518	277
Long service leave	8,109	
Payroll expense	12,691	13,016
Postage	1,547	2,246
Printing & stationery	14,480	16,713
Procedure errors	419	3,751
Rates & taxes	6,404	5,322
Rent	74,744	70,327
Repairs & maintenance - building	4,195	1,726
Repairs & maintenance - other	239	561
Salaries	249,701	258,000
Salary accrual & provisions	21,262	22,359
Security	3,899	3,079
Share register costs	-	409
Sponsorships	61,754	5,485
Staff amenities	2,380	1,458
Staff training & development	5,500	4,400
Staff uniform & allowances	1,603	1,541
Sundry expenses	-	837
Superannuation	23,172	17,538
Telephone	4,898	4,983
Travel accommodation & conference	2,034	256
Workcover	1,236	830
Other employee expenses	473	2,381
Uninsured losses	3,219	387
Total expenses	616,681	557,322
Profit (loss) from ordinary activities before income tax	222,773	196,463

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 2012 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 2012 and the results of its operations and its cash flows for the year then ended.

Date: 28th October 2012

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 2012, 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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Flemington **Community Bank**[®] Branch
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