

2008 – 2009

Forrestfield & Districts Community Financial Services Limited

ABN 94 094 967 978

ACN 094 967 978

Annual Report



Forrestfield & Districts Community Financial Services Limited

Shop 6 & 7 Forrestfield Forum
Strelitzia Avenue, Forrestfield WA 6058
Phone 08 9359 0711; Email
forrestfieldmailbox@bendigobank.

*Breakfast in the Park (Stirk Park)
sponsored by Forrestfield & Districts
Community Financial Service Limited,
March 2009*



Contents

Chairmen's Report

Manager's Report

Director's Report

Financial Statements

Notes to the Financial Statements

Directors' Declaration

Independent Audit Report

Auditor's Independence Declaration

We were proud to be able to provide this vehicle for use by the Cancer Council of Western Australia to facilitate the movement of patients from the Foothills and Hills to medical appointments in the city.



We encourage local residents to take advantage of this new Transport to Treatment service.



Chairmen's Report

For the Year ending 30 June 2009

As always the Board has pleasure in presenting the annual report to our shareholders.

This financial year completes our eighth year of business and with the financial crisis we were presented with some unique challenges. Due to the efforts of our Branch Manager Ray Morgan and our wonderful staff we continued to see substantial growth in our business. On behalf of the Board of Directors and all shareholders we would like to thank Ray and all the girls for their efforts this year.

The ongoing success of our business is helped by our commitment to our community. A unique opportunity arose for us to show this commitment when we were able to work with the Cancer Council of WA by providing a people mover van at a cost of \$40,000. This vehicle transports local people in our shire needing treatment for cancer to their hospital, making it easier for patients to get the treatment required and take some of the pressure off family members during this stressful time. We will seek to source other initiatives that will add value to the community we live in.

We continue to make progress on opening a second branch and we are working closely with the community of High Wycombe to make this a reality. A very positive result from the feasibility study indicates that there are business opportunities in High Wycombe.

We thank Bendigo and Adelaide Bank, our business partners and all their Western Australian staff members for their support this year. We look forward to continuing our successful and profitable partnership.

We would also like to thank our fellow Directors for their time and efforts spent on running the business. As our business grows and becomes more successful the amount of time Directors have to allocate to the business increases. Thank you also to our Company Secretary Noreen Townsend and our Treasurer Peter Scarfe for their efforts this year.

The Board continues to remain confident in the long term future and growth prospects of the company and looks forward to the ongoing support of the shareholders and the community at large. We look forward to our next year of business and to being able to continue to support our shareholders and the community.

Phil Mutter

Bob Govan

Joint Chairmen



Manager's Report

For the Year ending 30 June 2009

What an interesting year we have had, with the major worldwide economic downturn impacting on all financial institutions.

Notwithstanding this, we have had another very successful year, with continued substantial growth, which now sees our total business portfolio at \$160 million and over 10,000 accounts.

I would like to thank my staff for their on going dedication during this very challenging year together with their total commitment to provide the highest level of service to our clients.

Moreover, I believe that our old fashioned service is one of the major reasons why the Forrestfield & Districts **Community Bank**[®] Branch has been so successful.

Thank you to the many clients and shareholders who remain our most valuable asset, and who continue to support the **Community Bank**[®] concept and, therefore, ensure the ongoing success of the **Community Bank**[®] network.

I am also grateful to the Board of Directors for their ongoing support.

With this continued support and commitment from all involved in Forrestfield & Districts **Community Bank**[®] Branch, I am confident our business will continue to grow for the benefit of our community.

Ray Morgan
Branch Manager

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Financial Reports

For the Year Ended 30 June 2009



Financial Reports - Contents

	<u>Page</u>
Financial Statements	
Directors' Report	1-4
Auditors Independence Declaration	5
Independent Audit Report	6-7
Directors' Declaration	8
Income Statement	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Financial Statements	13-34

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Directors' Report

30 June 2009

1. General information Continued

Your directors present their report together with the financial report of the company for the financial year ended 30 June 2009.

1. General information

(a) Directors

The names, qualifications and meetings attendance of persons holding the position of director of the company in office during the year or at the date of this report are:-

i) Neville Michael Marney

Muresk Dip. Agriculture. Company Director and member Kalamunda CEAC. Chairman W.A. Combined Rodders Association. Life member WCSRC.

Director's meetings attended 15 out of 16 .

ii) Robert Murray Govan

Resident of Shire of Kalamunda for 34 years. Former Kalamunda Shire Councillor. Past President of Kalamunda Chamber of Commerce.

Director's meetings attended 15 out of 16 .

iii) Phillip Bradley Mutter

Newsagent in Forrestfield since 1996. Member of Lotteries Commission's Agents Panel 1997. Director of two privately owned companies. Formerly a farmer for 25 years.

Director's meetings attended 16 out of 16 .

iv) Joseph Walter Stone

Managing Director of The Property Research Institute Limited. Resident of Kalamunda Shire since 1995. Formerly farmer and Shire Councillor of the Shire of Quairading.

Director's meetings attended 16 out of 16 .

v) Norman Alfred Bell

Justice of the Peace. A director of various poultry companies in West Australia, South Australia, Victoria and Tasmania. A lifetime engaged in the poultry industry. Past Districts Governor of Rotary, Resident of Shire of Kalamunda for 31 years.

Directors meetings attended 15 out of 16 .

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Directors' Report

30 June 2009

1. General information Continued

vi) David Ernest Vaughan

Local Government Consultant. Retired as CEO at the Shire of Kalamunda in 2008 (1994-2008) and has Business Management and Environmental Health qualification. Past State President of Environmental Health Institute.

Directors meetings attended 13 out of 16 .

(b) Principal Activities

The principal activity and focus of the company's operations during the year was the performance of its activities as a branch of the Bendigo Bank at Forrestfield, Western Australia pursuant to a franchise agreement, trading as "Forrestfield Community Bank®".

There have been no significant changes in the nature of Forrestfield & Districts Community Financial Services Limited's principal activities during the financial year.

2. Business review

(a) Operating Results

The amount of profit from ordinary activities of Forrestfield & Districts Community Financial Services Limited for the financial year after providing for income tax amounted to \$ 448,257 (2008:\$ 426,018).

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Directors' Report

30 June 2009

(b) Dividends

Dividend paid or provided during the financial year: \$ 85,981 (2008:\$ 72,357).

(c) Review of operations

A review of the operations of Forrestfield & Districts Community Financial Services Limited during the financial year and the results of those operations found that increases of 16% for fees, commission and major income were achieved compared with last year and above budget projections.

3. Other items

(a) Significant Changes in State of Affairs

No significant changes in Forrestfield & Districts Community Financial Services Limited's state of affairs occurred during the financial year.

(b) 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 Forrestfield & Districts Community Financial Services Limited, the results of those operations or the state of affairs of Forrestfield & Districts Community Financial Services Limited in future financial years.

(c) 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.

(d) Environmental Regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory

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.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Directors' Report

30 June 2009

5. Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Forrestfield & Districts Community Financial Services Limited.

6. 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.

7. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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

.....

DIRECTOR

.....

DIRECTOR

DATED THIS 29th DAY OF September 2009.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Independent Audit Report to the Members of Forrestfield & Districts Community Financial Services Limited

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.

.....
MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
28 THOROGOOD STREET
BURSWOOD WA 6100

.....
A MACRI
PARTNER

PERTH

DATED THIS DAY OF 2009.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Independent Audit Report to the Members of Forrestfield & Districts Community Financial Services Limited

Scope

We have audited the accompanying financial report of Forrestfield & Districts Community Financial Services Limited 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 on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration .

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and their fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing 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. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 judgment, 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 entity'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 audit, 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 Forrestfield & Districts Community Services Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Independent Audit Report to the Members of Forrestfield & Districts Community Financial Services Limited

Audit Opinion

In our opinion, the financial report of Forrestfield & Districts Community Financial Services Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

.....
MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
1ST FLOOR, 28 THOROGOOD STREET
BURSWOOD WA 6100

.....
A MACRI
PARTNER

PERTH
DATED THIS DAY OF 2009.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Independent Audit Report to the Members of Forrestfield & Districts Community Financial Services Limited

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 34, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position as at 30 June 2009 and performance for the year ended on that date of the company
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.

.....

DIRECTOR

.....

DIRECTOR

DATED THIS 29TH DAY OF SEPTEMBER 2009.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Income Statement

For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue from ordinary activities	2	1,687,227	1,462,240
Employee benefits expense		(557,079)	(471,431)
Depreciation, amortisation and impairments	3	(25,431)	(30,231)
Leasing of computer hardware and software and rental of computer lines expenses		(27,871)	(31,379)
Other expenses		<u>(436,394)</u>	<u>(320,602)</u>
Profit before income tax		640,452	608,597
Income tax expense	4	<u>(192,195)</u>	<u>(182,579)</u>
Profit attributable to members of the company		<u><u>448,257</u></u>	<u><u>426,018</u></u>

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Balance Sheet

30 June 2009

	Note	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,618,226	1,200,890
Trade and other receivables	7	182,977	147,345
Other assets	8	4,320	5,452
Total current assets		<u>1,805,523</u>	<u>1,353,687</u>
Non-current assets			
Property, plant and equipment	9	94,774	97,589
Deferred tax asset	12	25,131	11,164
Intangible assets	10	22,664	31,724
Total non-current assets		<u>142,569</u>	<u>140,477</u>
TOTAL ASSETS		<u>1,948,092</u>	<u>1,494,164</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	98,098	86,947
Current tax liabilities	12	83,938	50,931
Provisions	13	71,821	38,936
Total current liabilities		253,857	176,814
Non-Current Liabilities			
Provisions	13	14,609	-
TOTAL LIABILITIES		<u>268,466</u>	<u>176,814</u>
NET ASSETS		<u>1,679,626</u>	<u>1,317,350</u>
EQUITY			
Contributed equity	15	537,815	537,815
Retained profits		1,141,811	779,535
TOTAL EQUITY		<u>1,679,626</u>	<u>1,317,350</u>

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Cash Flow Statement

For the Year Ended 30 June 2009

	Note	Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2007		537,815	425,874	963,689
Profit attributable to members of the company		-	426,018	426,018
Dividends paid or provided for	5	-	(72,357)	(72,357)
Balance at 30 June 2008		537,815	779,535	1,317,350
Profit attributable to members of the company			448,257	448,257
Dividends paid or provided for	5		(85,981)	(85,981)
Balance at 30 June 2009		537,815	1,141,811	1,679,626

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Cash Flow Statement

For the Year Ended 30 June 2009

	Note	2008 \$	2007 \$
Cash from operating activities:			
Receipts from customers		1,695,671	1,484,403
Payments to suppliers and employees		(982,817)	(853,060)
Income tax paid		(173,154)	(225,708)
Interest & other income received		105,066	102,872
Goods and Services Tax paid		(119,149)	(114,610)
Net cash provided by operating activities	14(b)	<u>525,617</u>	<u>393,897</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		(32,860)	-
Proceeds from disposal of property, plant and equipments		11,560	-
Net cash used in investing activities		<u>(22,300)</u>	<u>-</u>
Cash flows from financing activities:			
Dividends paid		(85,981)	(72,357)
Net cash used in financing activities		<u>(85,981)</u>	<u>(72,357)</u>
Other activities:			
Net increase in cash held		417,336	321,540
Cash at beginning of financial year		<u>1,200,890</u>	<u>879,350</u>
Cash at end of financial year	14(a)	<u>1,618,226</u>	<u>1,200,890</u>

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies

General information

The financial report covers Forrestfield & Districts Community Financial Services Limited as an individual entity.

Forrestfield & Districts Community Financial Services Limited is an unlisted public company, incorporated and domiciled in Australia

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies (con't)

a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expenses (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the assets is realised or the liabilities is settled, based on the tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches and associates, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies (con't)

(b) 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.

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.

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.

(c) Intangibles

The franchise fee paid by the company pursuant to a franchise agreement with the Bendigo Bank (Note 10) is being amortised over the initial five (5) year period of the agreement, being the period of expected economic benefits of the franchise fee.

The formation costs paid by the company pursuant to a franchise agreement with the Bendigo Bank (Note 10) is being amortised over the initial five (5) year period of the agreement, being the period of expected economic benefits of the formation costs.

(d) 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.

Contributions are made by the company for employees' superannuation in accordance with the SGC legislation and are charged as an expense when incurred.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

(e) Cash and Cash Equivalents

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

1 Statement of Significant Accounting Policies (con't)

(f) Revenue

Revenue from the provision of banking services is recognised upon the delivery of the services to the customers on an accruals basis.

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

(g) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instruments are not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognized where the contractual rights to receipt of cash flows expires or the assets is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferee to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognized in profit or loss.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies (con't)

(g) Financial Instruments (Can't)

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where there are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised or unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intension to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(h) Impairment of Assets

At each reporting date, the entity 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

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

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.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) 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 are based on current trends and economic data, obtained both externally and within the company.

(j) 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.

(k) Comparative Figures

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

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

(I) New Accounting standards for Application in Future Periods

<u>Title and Topic</u>	<u>Issued</u>	<u>Applicable</u>	<u>Impact</u>
AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	This Standard replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the company's board for the purposes of decision making. None of these amendments will have any effect on the financial reports as none of the topics are applicable to the company at the moment
Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12)	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report as the company already capitalises

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

(l) New Accounting standards for Application in Future Periods

<u>Title and Topic</u>	<u>Issued</u>	<u>Applicable</u>	<u>Impact</u>
Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10. Further amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and make changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If the company has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet, being as at the beginning of the comparative period.
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
AASB 2008-1 Amendments to Australian Accounting Standards – Share-Based Payments : Vesting conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial reports as none of the topics are applicable to the company at the moment.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

(I) New Accounting standards for Application in Future Periods (cont'd)

<u>Title and Topic</u>	<u>Issued</u>	<u>Applicable</u>	<u>Impact</u>
AASB 2008 -2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligation arising on Liquidation	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial reports as none of the topics are applicable to the company at the moment
AASB 2008 -3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial reports as none of the topics are applicable to the
AASB 2007 -7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary , Joint-Controlled Entity or Associate	July 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial reports as none of the topics are applicable to the company at the moment

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

(l) New Accounting standards for Application in Future Periods (cont'd)

<u>Title and Topic</u>	<u>Issued</u>	<u>Applicable</u>	<u>Impact</u>
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial reports as none of the topics are applicable to the company at the moment
AASB 2008-9 Amendments to Australian Accounting Standards 1049 for Consistency with AASB 101	September 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial reports as none of the topics are applicable to the company at the moment
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17-Distributions of Non-cash Assets to Owners.	December 2008	1 July 2009	This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute.
Interpretation 1- Changes in Existing , Decommissioning , Restoration and Similar liabilities	June 2007	1 January 2009	No impact on financial reports of company at the moment
Interpretation 15- Agreements for the Construction of Real Estate	August 2008	1 January 2009	No impact on financial reports of company at the moment
Interpretation 16- Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2009	No impact on financial reports of company at the moment
Interpretation 17- Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	No impact on financial reports of company at the moment
Interpretation 17- Distributions of Non-Cash Assets to Owners	March 2009	1 July 2009	No impact on financial

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

Interpretation 18- Transfers of
Assets from Customers

reports of company at
the moment

No impact on financial
reports of company at
the moment

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

2 Revenue

	2009	2008
	\$	\$
Operating activities		
- Fees, commissions and margin income	1,582,161	1,359,368
- Interest received	62,066	52,872
- other revenue	43,000	50,000
	<hr/>	<hr/>
Total Revenue	1,687,227	1,462,240

3 Profit from Ordinary Activities

Expenses

Profit from ordinary activities before income tax expense has been determined after:

	2009	2008
	\$	\$
Amortisation of franchise fee	9,060	9,060
Amortisation of leasehold improvements	1,317	1,067
Depreciation of plant and equipment	15,054	20,104
	<hr/>	<hr/>
	25,431	30,231
Remuneration of auditor	6,800	5,250
Rental	49,528	47,911
Loss on disposal of property, plant & equipment	8,744	-

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

4 Income Tax Expense

(a) The components of tax expense comprise:

	2009	2008
	\$	\$
Current tax	206,162	179,632
Deferred tax asset/(liabilities)	(13,967)	2,947
	192,195	182,579

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

	2009	2008
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)	192,136	182,579
Add:		
Tax effect of:		
- Non-allowable items	4,893	-
Less:		
Tax effect of:		
- Deductible items	(4,134)	-
	192,195	182,579

The applicable weighted average effective tax rates are as follows :

30%	30%
-----	-----

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

5 Dividends

	2009 \$	2008 \$
Paid final franked dividend of 15.84 cents per share (2008: 13.33 cents per share)	85,981	72,357
Balance of franking account at year end adjusted for payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years	1,138,177	831,809

6 Cash and Cash Equivalents

	2009 \$	2008 \$
Cash on hand	246	197
Cash at bank	506,935	482,896
Term deposits	1,111,045	717,797
	<u>1,618,226</u>	<u>1,200,890</u>

7 Trade and Other Receivables

	2009 \$	2008 \$
CURRENT		
Accrued Income	168,037	135,215
Accrued Interest	14,940	12,130
	<u>182,977</u>	<u>147,345</u>

8 Other Assets

	2009 \$	2008 \$
CURRENT		
Prepayments	4,320	5,452

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

9 Property, Plant and Equipment

	2009 \$	2008 \$
PLANT AND EQUIPMENT		
Furniture and fittings		
At cost	181,284	181,284
Less accumulated depreciation	(142,381)	(133,577)
Total furniture and fittings	<u>38,903</u>	<u>47,707</u>
Motor vehicles		
At cost	33,860	33,803
Less accumulated depreciation	(397)	(7,646)
Total motor vehicles	<u>33,463</u>	<u>26,157</u>
Leasehold improvements		
At cost	26,767	26,767
Less accumulated depreciation	(4,359)	(3,042)
Total leasehold improvements	<u>22,408</u>	<u>23,725</u>
Total property, plant and equipment	<u><u>94,774</u></u>	<u><u>97,589</u></u>

Movements in Carrying Amounts

	Furniture and Fittings \$	Motor Vehicles \$	Leasehold Improvement s \$	Total \$
Balance at the beginning of year	47,707	26,157	23,725	97,589
Additions/(disposal)	-	13,298	-	13,298
Depreciation expense	(8,804)	(5,992)	-	(14,796)
Amortisation expense	-	-	(1,317)	(1,317)
Carrying amount at the end of year	<u>38,903</u>	<u>33,463</u>	<u>22,408</u>	<u>94,774</u>

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

10 Intangible Assets

	2009 \$	2008 \$
Franchise Fees		
Cost	50,000	50,000
Accumulated amortisation and impairment	(27,336)	(18,726)
Total Intangibles	<u>22,664</u>	<u>31,724</u>

Pursuant to a five year franchise agreement with the Bendigo Bank, the company operates a branch of the Bendigo Bank at Forrestfield, trading as "Forrestfield & Districts Community Branch - Bendigo Bank", providing a core range of banking products and services. The company entered into the franchise agreement at a cost of \$50,000. The franchise fee and formations costs are being amortised on the basis disclosed in Note 1(c).

11 Trade and Other Payables

	2009 \$	2008 \$
CURRENT		
-Unsecured liabilities		
GST payable	49,603	42,434
Sundry payables and accrued expenses	36,481	37,604
Bendigo Business Credit Card	443	400
PAYG Withholding Payable	11,571	6,509
	<u>98,098</u>	<u>86,947</u>

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

12 Tax

	2009	2008
	\$	\$
CURRENT LIABILITIES		
Income tax	83,938	50,931
	<u>83,938</u>	<u>50,931</u>
NON-CURRENT ASSETS		
Deferred Tax Asset		
- Provision	25,131	11,634
	<u>25,131</u>	<u>11,634</u>

13 Provisions

	2009	2008
	\$	\$
CURRENT		
Employee benefits	86,430	38,936
NON-CURRENT		
Employee benefits - Provision for Long Service Leave	14,609	-
	<u>14,609</u>	<u>-</u>
Total Employee Benefits Provisions	<u>86,430</u>	<u>38,936</u>

14 Cash Flow Information

(a) Reconciliation of cash

	2009	2008
	\$	\$
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 at bank	1,617,980	1,200,693
Cash on hand	246	197
	<u>1,618,226</u>	<u>1,200,890</u>

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

14 Cash Flow Information (Con't)

(b) Reconciliation of Cash Flows from operating profit after Income Tax

	2009 \$	2008 \$
Profit from ordinary activities after income tax	448,257	426,018
<i>Non-cash flows in profit/(loss) from ordinary activities:</i>		
Depreciation and amortization	25,431	30,231
Loss in disposal of property, plant & equipments	8,744	-
Movements in assets and liabilities		
(Increase)/decrease in trade and other receivables	(35,632)	(29,456)
(Increase)/decrease in prepayments	1,132	(5,402)
(Increase)/decrease in deferred tax assets	(13,967)	2,947
Increase/(decrease) in trade and other payables	11,151	24,519
Increase/(decrease) in income taxes payable	33,007	(46,076)
Increase/(decrease) in provisions	47,494	(8,884)
Net cash provided by operating activities	<u>525,617</u>	<u>393,897</u>

15 Issued Capital

	2009 \$	2008 \$
542,810 fully paid Ordinary Shares (2008: 542,810)	<u>537,815</u>	<u>537,815</u>

Ordinary shares participate in dividend and the proceeds of winding up of the company in proportion to the number of shares held.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

16 Key Management Personnel Compensation

(a) Remuneration and Retirement Benefits

	2009 \$	2008 \$
Director's fee	<u>40,000</u>	<u>40,000</u>

(b) Directors' Shareholdings

Number of Shares held by directors

NM Marney	18,000	18,000
RM Govan	4,000	4,000
PB Mutter	1,000	1,000
JW Stone	1,000	1,000
NA Bell	10,000	10,000
DE Vaughan	500	500
	<u>34,500</u>	<u>34,500</u>

17 Financial Risk Management

The company's financial instruments consist mainly of cash and deposits with banks, accounts receivable and payables.

Financial Risk Management Policies

The directors overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performances. Risks management policies are approved and reviewed by the Board of Directors on a regular basis.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative financial instruments at 30 June 2009.

(a) Specific Financial Risk Exposure and Management

The main risks the company is exposed to through its financial instruments are interest rate

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

risk, credit risk and price risk.

17) Financial Risk Management (Con't)

(a) Specific Financial Risk Exposure and Management (Con't)

i) Interest rate risk

The company is not exposed to interest rate risks in respect of debt.

ii) 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.

iii) Price risk

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

iv) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement for all other financial instruments.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

17 Financial Risk Management (continued)

(b) Financial liability and financial asset maturity analysis

	Weighted Average Effective Interest		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total	
	Rate		2009	2008	2009	2008	2009	2008	2008	2008
	2009	2008	2009	2008	2009	2008	2009	2008	2008	2008
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	5.67	5.67	506,935	482,896	1,111,045	717,797	246	197	1,618,226	1,200,890
Receivables	-	-	-	-	-	-	182,977	147,345	182,977	147,345
Prepayments	-	-	-	-	-	-	4,320	5,452	4,320	5,452
Total Financial Assets			506,935	482,896	1,111,045	717,797	187,543	152,994	1,805,523	1,353,687
Financial Liabilities:										
Trade and other payables	-	-	-	-	-	-	98,098	86,947	98,098	86,947
Provisions	-	-	-	-	-	-	86,430	38,936	86,430	38,936
Total Financial Liabilities			-	-	-	-	184,528	125,883	184,528	125,883

Trade and other payables are expected to be paid in less than 6 months

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

17 Financial Risk Management (continued)

(c) Net fair values

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

No financial assets and liabilities are traded on organised markets in standardised form.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities of the company at balance date as follows:-

	Carrying Value 2009 \$	Fair Value 2009 \$
Financial Assets		
Cash and cash equivalents	1,618,226	1,618,226
Receivables	182,977	182,977
Total Financial Assets	1,801,203	1,801,203
Financial Liabilities		
Trade and other payables	86,947	86,947
Total Financial Liabilities	86,947	86,947

Fair value is determined as follows :-

Cash and Cash Equivalents, Receivables and Payables – estimated to the carrying value which approximates net market value.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements

For the Year Ended 30 June 2009

17 Financial Risk Management (continued)

(d) Sensitivity Analysis

The company performed a sensitivity analysis relating to interest rate risk, foreign currency risk and price risk at balance date. The directors believe that the impact of sensitivity analysis on the financial statement is insignificant.

18 Contingent Liabilities

There has been no contingent liabilities in existence as at balance sheet date.

19 Segment Reporting

The company operates in the financial services sector as a branch of the Bendigo Bank at Forrestfield in Western Australia.

20 Company Details

The registered office and the principal place of business of the company is:

Shop 6-7, Forrestfield Forum
20 Strelitzia Avenue
FORRESTFIELD WA 6058