

2010 –
2011

Annual
Report

**Forrestfield & Districts
Community Financial
Services Limited**

ABN 94 094 967 978

ACN 094 967 978

Franchisee -

Forrestfield Community Bank Shop 6 & 7 Forrestfield
Forum
Strelitzia Avenue, Forrestfield
Phone 08 9359 0711
ForrestfieldMailbox@bendigobank.com.au

High Wycombe Community Bank® Branch
Shop 5
High Wycombe Village Shopping Centre
Kalamund Road, High Wycombe
Phone 08 9352 8430
HighWycombeMailbox@bendigobank.com.au

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

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In June it was our 10th Birthday and everyone joined in.

Forrestfield & Districts Community Financial Services Limited

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Chairman's Report

There are many ways banks can do business - then there is the Forrestfield and High Wycombe **Community Bank®** branches way.

It is with pleasure that I present this report on behalf of the Board of Directors. Difficult business conditions have persisted this year but this has not deterred our Branch Manager Ray Morgan and our wonderful team of staff. Our business book has continued to grow. Paul Moss has joined our team as Branch Manager for the High Wycombe **Community Bank®** Branch. On behalf of the Directors, shareholders and our community, I would like to thank all our staff for their efforts this year.

This year we celebrated our 10th year in business. The ongoing success of our business is helped by our commitment to our community. To date our business has contributed \$500,000 to local community groups, an achievement that the Directors and staff are all very proud of. To increase our commitment we need more people to do business with us. I encourage all shareholders to refer potential customers to our friendly staff. Remember these are our branches and by fostering new customers we continue to provide a meaningful future to our community. Increased business also increases dividend payments to shareholders.

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

I would like to thank my fellow Directors for their time and efforts spent on running the business. We are working through the strategic plan that was formulated last year and continue to look at ways we can add value to the business. Thank you also to our Company Secretary Noreen Townsend and Company Treasurer Peter Scarfe for their efforts this year.

This year the Board decided to conduct a Director review on itself. The review was conducted over a two month period and involved self assessment as well as peer reviews, followed by meetings to address issues raised.

I can report that one director did not participate in the review. The review identified positive and adverse aspects of all directors. Whilst some directors have taken steps to correct their deficiencies, some rejected the findings out right and have not addressed the matters raised.

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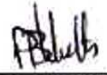
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Being a Director of Forrestfield & Districts Community Financial Services Ltd is indeed a privilege, none the less it comes with important responsibilities to discharge our roles as directors professionally and in accordance with agreed standards and good governance.

It is crucial that we continue to assess all aspects of our operations, including ourselves and to ensure we have the best possible people in all the positions available.

On behalf of the shareholders and community I would like to thank Norman Bell and Joe Stone who have both retired this year. Norman and Joe have been involved with the business for many years and I thank them for their time and efforts.

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



Phil Mutter - Chairman

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Manager's Report

We have had another successful year, despite the worldwide financial uncertainty, with continued substantial growth.

Forrestfield **Community Bank**[®] Branch now has total business of \$165.7million and 8,758 accounts.

Moreover, our second site in High Wycombe, continues to trade in line with our business plan, with current business levels being \$33million and 2500 accounts.

As you can see, we are in a strong position, which ensures we can continue to reward our local community and shareholders.

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

Furthermore, I believe that our old fashioned service, is one of the major reasons why both of our **Community Bank**[®] branches are 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.

Ray Morgan - Branch Manager

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Schedule of Dividends Paid

RECORD OF DIVIDENDS PAID					
Forrestfield & Districts Community Financial Services Limited					
Financial Year	Total Dividend Amount	Amount Per Share (cts)Cents	No of Shareholders	Share Type	Date Paid
2001/02	.00				
2002/03	.00				
2003/04	\$27,140.00	5.00	603	unFranked	31/01/2005
01/07/2004 to 30/06/2005	\$54,525.20	10.06	603	unFranked	17/03/2006
01/07/2005 to 30/06/2006	\$57,537.86	10.07	590	Franked	00/01/2007
01/07/2006 to 30/06/2007	\$58,080.00	13.33	620	Franked	00/02/2008
01/07/2007 to 30/06/2008	\$72,357.00	15.84	579	Franked	16/03/2009
01/07/2008 to 30/06/2009	\$63,731.07	21.85	575	Franked	3/02/2010
01/07/2009 to 30/06/2010	\$56,027.00	10.32	575	Franked	11/02/2011
01/07/2010 to 30/06/2011		**50.00		Franked	
PROGRESSIVE TOTAL	\$314,013.48				

Updated October 2011 - ** 15 cts ordinary dividend plus 35 ct special dividend

Schedule of Grants, Donations & Sponsorships Paid

RECORD OF COMMUNITY CONTRIBUTIONS PAID				
Forrestfield & Districts Community Financial Services Limited				
Financial Year	Grants	Sponsorships	Donations	Total \$
2004/05	Combined			9,518
2005/06	"			28,557
2006/2007	"			51,225
2007/2008	"			115,044
2008/2009	"			75,092
2009/2010	"			71,501
2010/2011	128,294	15,200	6,500	149,994
TOTAL				\$500,931

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Directors' Report

30 June 2011

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Directors' Report

30 June 2011

Directors present their report together with the financial report of the company for the financial year ended 30 June 2011.

1. General information

(a) Directors

The names, qualifications and meetings attendance (Board and Committee Meetings) 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 - 21. Apology 1.

ii) 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 - 31.

iii) 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 - 21. Apology 2.

iv) Norman Alfred Bell (Retired on 19/01/2011)

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 - 9.

v) 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-12. Leave of absence 6. Apology 3.

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Directors' Report

30 June 2011

vi) Nicholas Bruining

Financial planner & finance writer; has lived in the area for 20 years, involved in numerous local community groups.

Directors meetings attended - 21. Leave of absence 2.

vii) Colleen Bitmead

Company Director, superannuation fund manager and mother. Has lived in the area for over 10- years.

Directors meetings attended - 21. Apology 1.

viii) Maureen Robinson (Appointed on 20/01/2011)

Human Resource management consultant; local government councillor. Has lived in the area for 25 years

Directors meetings attended - 18. Leave of Absence 3. Apology 1

ix) Mary Anne Casey – Alternate Director
Support Aged Care Industry, ex local government councillor, mother ,local resident.

Directors Meetings attended - 17.

x) Ray Luke – Alternate Director
Retired accountant.

Directors Meetings attended - 27.

(b) Principal Activities

The principal activities of the company during the course of the financial year were in providing community banking services under management rights to operate two franchised branches of Bendigo and Adelaide Bank Limited.

There were no significant changes in the nature of the company's principal activity.

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Directors' Report

30 June 2011

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 \$ 228,324 (2010:\$ 280,321).

(b) Dividends

A fully franked dividend of \$ 56,018 (2010 : \$118,604) was declared and paid during the financial year.

(c) Review of operations

A review of the operations of the company during the financial year and the results of those operations found that the company is on a sound footing with both Forrestfield and High Wycombe branches doing very well. High Wycombe has surpassed expectations

3. Other items

(a) Significant Changes in State of Affairs

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

(b) Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company for the financial year in which this report is made.

(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

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Directors' Report

30 June 2011

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 the company.

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:

CAO – NOTE – REPLACEMENT PAGE TO BE SCANNED

**PHILLIP MUTTER
DIRECTOR**

**COLLEEN BITMEAD
DIRECTOR**

DATED THIS 11th DAY OF OCTOBER 2011.

Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

To the Directors of Forrestfield & Districts Community Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.

CAO – NOTE – REPLACEMENT PAGE TO BE SCANNED

.....
**MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100**

.....
**A MACRI
PARTNER**

**PERTH
DATED THIS DAY OF OCTOBER 2011.**

Independent Auditor's Report to the Members of
Forrestfield & Districts Community Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Forrestfield & Districts Community Financial Services Ltd, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising 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 fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes 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 Standard 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Financial Services Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

Independent Auditor's Report to the Members of
Forrestfield & Districts Community Financial Services Limited

Audit Opinion

In our opinion:

- a. the financial report of Forrestfield & Districts Community Financial Services Limited is 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 its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

CAO – NOTE – REPLACEMENT PAGE TO BE SCANNED

.....
MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100

.....
A MACRI
PARTNER

PERTH
DATED THIS DAY OF OCTOBER 2011.

Forrestfield & Districts Community Financial Services Limited

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 35, 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 2011 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.

CAO – NOTE – REPLACEMENT PAGE TO BE SCANNED

**PHILLIP MUTTER
DIRECTOR**

**COLLEEN BITMEAD
DIRECTOR**

DATED THIS 11th DAY OF OCTOBER 2011.

Forrestfield & Districts Community Financial Services Limited

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Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue from ordinary activities	2	1,925,332	1,668,671
Employee benefits expense		(826,358)	(697,901)
Depreciation, amortisation and impairments	3	(81,821)	(63,901)
Leasing of computer hardware and software and rental of computer lines expenses		(103,421)	(36,124)
Other expenses		<u>(569,390)</u>	<u>(434,788)</u>
Profit before income tax		344,342	435,957
Income tax expense	4	<u>(116,018)</u>	<u>(155,636)</u>
Profit after income tax		228,324	280,321
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income attributable to members of the company		<u><u>228,324</u></u>	<u><u>280,321</u></u>
 <u>Earnings per share</u>			
Basics earnings per share (cents)		42.06	51.64
Diluted earnings per share (cents)		42.06	51.64

The accompanying notes form part of the financial statements.

Forrestfield & Districts Community Financial Services Limited

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Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,380,579	1,464,749
Trade and other receivables	7	209,197	194,365
Other assets	8	20,266	28,241
Total current assets		<u>1,610,042</u>	<u>1,687,355</u>
Non-current assets			
Property, plant and equipment	9	425,405	263,406
Deferred tax asset	12	1,445	12,017
Intangible assets	10	117,250	89,854
Total non-current assets		<u>544,100</u>	<u>365,277</u>
TOTAL ASSETS		<u>2,154,142</u>	<u>2,052,632</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	71,373	79,271
Current tax liabilities/(refundable)	12	(52,551)	5,529
Provisions	13	120,520	110,810
Total current liabilities		139,342	195,610
Non-current liabilities			
Provisions	13	1,151	15,679
TOTAL LIABILITIES		<u>140,493</u>	<u>211,289</u>
NET ASSETS		<u>2,013,649</u>	<u>1,841,343</u>
EQUITY			
Issued capital	15	537,815	537,815
Retained earnings		1,475,834	1,303,528
TOTAL EQUITY		<u>2,013,649</u>	<u>1,841,343</u>

The accompanying notes form part of the financial statements.

Forrestfield & Districts Community Financial Services Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2011

	Note	Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2009		537,815	1,141,811	1,679,626
Profit attributable to members of the company		-	280,321	280,321
Dividends paid	5	-	(118,604)	(118,604)
Balance at 30 June 2010		537,815	1,303,528	1,841,343
Profit attributable to members of the company		-	228,324	228,324
Dividends paid	5	-	(56,018)	(56,018)
Balance at 30 June 2011		537,815	1,475,834	2,013,649

The accompanying notes form part of the financial statements.

Forrestfield & Districts Community Financial Services Limited

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Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Cash from operating activities:			
Receipts from customers		1,924,282	1,701,360
Payments to suppliers and employees		(1,552,664)	(1,202,201)
Income tax paid		(163,526)	(220,931)
Interest & other income received		147,675	115,228
Goods and Services Tax paid		(89,759)	(128,606)
		<u> </u>	<u> </u>
Net cash provided by operating activities	14(b)	<u>266,008</u>	<u>264,850</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		(244,160)	(219,723)
Purchase of intangible assets		(50,000)	(80,000)
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(294,160)</u>	<u>(299,723)</u>
Cash flows from financing activities:			
Dividends paid		(56,018)	(118,604)
		<u> </u>	<u> </u>
Net cash used in financing activities		<u>(56,018)</u>	<u>(118,604)</u>
Net (decrease) / increase in cash held		(84,170)	(153,477)
Cash and cash equivalents at beginning of financial year		<u>1,464,749</u>	<u>1,618,226</u>
		<u> </u>	<u> </u>
Cash and cash equivalents at end of financial year	14(a)	<u>1,380,579</u>	<u>1,464,749</u>

The accompanying notes form part of the financial statements.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial statements cover 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.

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements 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 as issued by IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 11th October 2011 by the directors of the company.

(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 expenses reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(b) Income Tax (cont'd)

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 tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on 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

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(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 over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Office Equipment ,Furniture & fittings	7.5% - 20.00% diminishing value
Leasehold Improvements	2.50%-10.00% diminishing value
Motor Vehicles	22.5% diminishing value

(c) Intangibles

The franchise fee paid by the company pursuant to a franchise agreement with the Bendigo and Adelaide 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 establishment costs paid by the company pursuant to a franchise agreement with the Bendigo and Adelaide 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

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(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 statement of financial position.

(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

Initial Recognition and Measurement

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments. For financial assets, this equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at their fair value plus transaction costs, except where the instruments is classified at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortisation cost is calculated as : (i) the amount at which the financial asset or financial liability is measured at initial recognition;(ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(g) Financial Instruments (Cont'd)

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

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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

(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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. 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.

(vi) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the assets is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss

Impairment testing is performed annually for intangible assets with indefinite lives.

(i) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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.

Key estimates

Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(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 statement of financial position are shown inclusive of GST.

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

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(k) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the company is as follows:

AASB 9: Financial Instruments (December 2010)
(applicable for annual reporting periods commencing on or after 1 January 2013)

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

1. Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
2. Simplifying the requirements for embedded derivatives;
3. Removing the tainting rules associated with held-to-maturity assets;
4. Removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
5. Allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
6. Requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
7. Requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 124: Related Party Disclosures
(applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the company.

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(k) New Accounting Standards for Application in Future Periods (cont'd)

AASB 1053: Application of Tiers of Australian Accounting Standards and
AASB 2010-2: Amendments to Australian Accounting Standards arising from
Reduced Disclosure Requirements.
(applicable for annual reporting periods commencing on or after 1 July 2013)

AASB1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements.

1. Tier 1: Australian Accounting Standards; and
2. Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements. Since the company is a for-profit private sector entity that does not have public accountability, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.

AASB 2009-12: Amendments to Australian Accounting Standards.
(applicable for annual reporting periods commencing on or after 1 January
2011)

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This Standard is not expected to impact the company.

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(k) New Accounting Standards for Application in Future Periods (cont'd)

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.
(applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

8. Clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
9. Adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
10. Amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
11. Adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
12. Making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the company.

AASB 2010-5: Amendments to Australian Accounting Standards.
(applicable for annual reporting periods beginning on or after 1 January 2011)

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfer of Financial Assets.
(applicable for annual reporting periods beginning on or after 1 July 2011)

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfer of financial assets.

This Standard is not expected to impact the company.

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(k) New Accounting Standards for Application in Future Periods (cont'd)

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
(applies for periods beginning on or after 1 January 2013)

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the company has not yet determined any potential impact on the financial statements from adopting AASB 9.

AASB 2010-8: Amendments to Australian Accounting Standards –Deferred Tax: Recovery of Underlying Assets.
(applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the company.

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Notes to the Financial Statements For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (Cont'd)

(k) New Accounting Standards for Application in Future Periods (cont'd)

AASB 2010-9: Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters.
(applies to periods beginning on or after 1 July 2011)

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the company.

AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters.
(applies to periods beginning on or after 1 January 2013)

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

This Standard is not expected to impact the company.

(l) Comparative Figures

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

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Notes to the Financial Statements For the Year Ended 30 June 2011

2 Revenue

	2011	2010
	\$	\$
Operating activities		
- Fees, commissions and margin income	1,777,657	1,553,443
- Interest received	97,675	59,728
- other revenue	50,000	55,500
	<u>1,925,332</u>	<u>1,668,671</u>
Total Revenue	<u>1,925,332</u>	<u>1,668,671</u>

3 Profit from Ordinary Activities

Expenses

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

Amortisation of intangible assets	22,604	12,810
Depreciation of property, plant and equipment	<u>59,217</u>	<u>51,091</u>
	<u>81,821</u>	<u>63,901</u>
Remuneration of auditor	9,000	8,200
Rental	110,096	76,957
Loss on disposal of property, plant & equipment	22,944	-
Director Fees	40,000	40,000

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Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Income Tax Expense

(a) The components of tax expense comprise:

	2011 \$	2010 \$
Current tax	100,847	142,522
Under-provision of prior-year taxation	4,599	-
Deferred tax	10,572	13,114
	116,018	155,636

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

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2010: 30%)	103,303	130,787
Add:		
Tax effect of		
- Non-allowable items	40,459	28,100
- Under-provision of prior year taxation	4,599	-
Less:		
Tax effect of:		
- Deductible items	(32,343)	(3,251)
	116,018	155,636
Income tax attributable to entity		
The applicable weighted average effective tax rates are as follows :	34%	35%

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2011

5 Dividends

	2011 \$	2010 \$
Paid final franked dividend of 10.32 cents per share (2010: 21.85 cents per share)	56,018	118,604
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	1,860,660	1,533,320

6 Cash and Cash Equivalents

Cash on hand	918	56
Cash at bank	285,781	321,906
Term deposits	1,093,880	1,142,787
	<u>1,380,579</u>	<u>1,464,749</u>

7 Trade and Other Receivables

CURRENT

Accrued Income	180,893	158,425
Accrued Interest	27,704	30,742
Sundry debtors	600	5,198
	<u>209,197</u>	<u>194,365</u>

8 Other Assets

CURRENT

Prepayments	20,266	28,241
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Notes to the Financial Statements

For the Year Ended 30 June 2011

9 Property, Plant and Equipment

	2011	2010
	\$	\$
Computer equipment , furniture and fittings		
At cost	112,442	241,324
Less accumulated depreciation	(30,906)	(157,076)
Total furniture and fittings	<u>81,536</u>	<u>84,248</u>
Motor vehicles		
At cost	33,860	33,860
Less accumulated depreciation	(13,761)	(7,925)
Total motor vehicles	<u>20,099</u>	<u>25,935</u>
Leasehold improvements		
At cost	335,794	186,450
Less accumulated depreciation	(32,024)	(33,227)
Total leasehold improvements	<u>323,770</u>	<u>153,223</u>
Total property, plant and equipment	<u><u>425,405</u></u>	<u><u>263,406</u></u>

Movements in Carrying Amounts

	Computer Furniture and Fittings	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$
Balance at the beginning of year	84,248	25,935	153,223	263,406
Additions /(disposal)	22,195	-	199,021	221,216
Depreciation / amortisation expense	(24,907)	(5,836)	(28,474)	(59,217)
Carrying amount at the end of year	<u>81,536</u>	<u>20,099</u>	<u>323,770</u>	<u>425,405</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

10 Intangible Assets

	2011	2010
	\$	\$
Franchise & Established Fees		
Cost	180,000	130,000
Accumulated amortisation	(62,750)	(40,146)
Total Intangibles	<u>117,250</u>	<u>85,954</u>

Pursuant to a five year franchise agreement with the Bendigo and Adelaide Bank Limited, the company operates branches of the Bendigo and Adelaide Bank at Forrestfield and High Wycombe , trading as "Forrestfield & Districts Community Bank - Bendigo Bank", providing a core range of banking products and services. The franchise fee and establishment costs are being amortised on the basis disclosed in Note 1(c).

11 Trade and Other Payables

CURRENT

-Unsecured liabilities

GST payable	5,665	9,099
Sundry payables and accrued expenses	32,202	24,768
Business credit card	943	445
PAYG withholding payable	16,379	14,470
Unclaimed dividends	15,904	15,152
Superannuation	280	15,337
	<u>71,373</u>	<u>79,271</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

12 Tax

CURRENT LIABILITIES	2011 \$	2010 \$
Income tax/(refundable)	<u>(52,551)</u>	<u>5,529</u>
Deferred Tax Asset	<u>1,445</u>	<u>12,017</u>

13 Provisions

CURRENT		
Employee benefits	120,520	110,800
NON-CURRENT		
Employee benefits - Provision for Long Service Leave	<u>1,151</u>	<u>15,679</u>
Total Employee Benefits Provisions	<u>121,671</u>	<u>126,479</u>

14 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank	1,379,661	1,464,693
Cash on hand	<u>918</u>	<u>56</u>
	<u>1,380,579</u>	<u>1,464,749</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2011

14 Cash Flow Information (Cont'd)

(b) Reconciliation of cash flow from operation with profit after income tax

	2011 \$	2010 \$
Profit after income tax	228,324	280,321
Non-cash flows in profit:		
- Depreciation and amortization	81,821	63,901
- Loss in disposal of property, plant & equipment	22,944	-
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(14,832)	(11,388)
- (Increase)/decrease in prepayments	7,975	(23,921)
- (Increase)/decrease in deferred tax assets	10,572	13,114
- Increase/(decrease) in trade and other payables	(7,898)	(18,827)
- Increase/(decrease) in income taxes payable	(58,080)	(78,409)
- Increase/(decrease) in provisions	(4,818)	40,059
	<u>266,008</u>	<u>264,850</u>
Net cash provided by operating activities	<u>266,008</u>	<u>264,850</u>

15 Issued Capital

542,810 fully paid Ordinary Shares (2010: 542,810)	537,815	537,815
	<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

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Notes to the Financial Statements

For the Year Ended 30 June 2011

16 Key Management Personnel Compensation

(a) Remuneration and Retirement Benefits

	2011 \$	2010 \$
Director's fee	<u>40,000</u>	<u>40,000</u>

(b) Directors' Shareholdings

Number of shares held by directors

NM Marney	10,000	10,000
Nicholas Bruining	00	00
Colleen Bitmead	9,000	9,000
PB Mutter	1,000	1,000
JW Stone	1,000	1,000
NA Bell	10,000	10,000
Maureen Robinson	00	00
Mary Anne Casey	250	250
Ray Luke	00	00
DE Vaughan	500	500
	<u>31,750</u>	<u>31,750</u>

17 Financial Risk Management

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

(a) 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 2011.

(b) Specific Financial Risk Exposure and Management

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

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2011

17 Financial Risk Management (Cont'd)

(b) Specific Financial Risk Exposure and Management (Cont'd)

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

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Notes to the Financial Statements

For the Year Ended 30 June 2011

17 Financial Risk Management (cont'd)

(c) Financial liability and financial asset maturity analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	3.97	3.57	285,781	321,906	1,093,880	1,142,787	918	56	1,380,579	1,464,749
Receivables	-	-	-	-	-	-	209,197	194,365	209,197	194,365
Prepayments	-	-	-	-	-	-	20,266	28,241	20,266	28,241
Total Financial Assets			285,781	321,906	1,093,880	1,142,787	230,381	222,662	1,610,042	1,687,355
Financial Liabilities:										
Trade and other payables	-	-	-	-	-	-	71,373	79,271	71,373	79,271
Provisions	-	-	-	-	-	-	121,671	126,489	121,671	126,489
Total Financial Liabilities			-	-	-	-	193,044	205,760	193,044	205,760

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

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Notes to the Financial Statements

For the Year Ended 30 June 2011

17 Financial Risk Management (Cont'd)

(d) 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 2011 \$	Fair Value 2011 \$
Financial Assets		
Cash and cash equivalents	1,380,579	1,380,579
Receivables & prepayments	229,463	229,463
Total Financial Assets	1,610,042	1,610,042
Financial Liabilities		
Trade and other payables	71,373	71,373
Provisions	121,671	121,671
Total Financial Liabilities	193,044	193,044

Fair value is determined as follows :-

Cash and cash equivalents, receivables and payables – estimated to the carrying value which approximates net market value.

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Notes to the Financial Statements

For the Year Ended 30 June 2011

Financial Risk Management (Cont'd)

(e) Sensitivity Analysis

The company performed a sensitivity analysis relating to interest rate risk, foreign currency risk and price risk at the end of reporting 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 the end of the reporting period.

19 Segment Reporting

The company operates in the financial services sector as branches of the Bendigo and Adelaide Bank at Forrestfield and High Wycombe in Western Australia.

20 Company Details

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

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

