GREAT SOUTHERN COMMUNITY FINANCIAL SERVICES LIMITED

ABN 75 089 136 121

Financial report for the year ended 30 June 2009

Tambellup Cranbrook Community Bank® Branch

Bendigo Bank

2009 ANNUAL REPORT

Great Southern Community Financial Services Limited
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25 Gathorne Streeet, Cranbrook, WA 6321   08 9826 1777

Bendigo and Adelaide Bank Limited
The Bendigo Centre, Bendigo, VIC 3550
ABN 11 068 049 178.   AFSL 237 879

GREAT SOUTHERN COMMUNITY FINANCIAL SERVICES LIMITED

ABN 75 089 136 121

Financial report for the year ended 30 June 2009

2009 Chairman's Report

To the Shareholders of Great Southern Community Financial Services Ltd

The Tambellup Cranbrook Community Bank Branch of the Bendigo Bank, the 3rd opened in Western Australia will celebrate its 10th Birthday on the 15th November 2009.

We will in fact be having our 10th birthday celebrations on Friday 13th of November at both Cranbrook and Tambellup Community Bank Branches with morning tea and afternoon tea to which all Shareholders and customers are invited to attend.

We have, as most of you would know appointed a new Manager in Geoff Beckley who is adeptly leading our professional team of Johanna Kinnane, Kathryn Collins and Amy Chadborne, who are currently managing a portfolio in excess of $50 million.

The Board is humbled and grateful for the support that our communities have shown in the concept of Community Bank.

In 2008 we paid a Fully Franked dividend of 7.5% and have in allocated reserves $90,000 ready to be dispersed to our respective Shires for projects that will not only improve community infrastructure but will enhance the value of every ratepayer's property as well as earn an income for each Shire. This has been achieved in a very difficult economic climate by the simple process of Community Banking.

The Board has maintained its policy of supporting smaller sponsorships and we are currently committed to the Great Southern Junior Netball Region, the Great Southern Regional Cricket Board and many of our local sporting and recreational organizations.

Examples of our larger "Icon" projects is a commitment of $50,000 set aside to assist the Shire of Broomehill/Tambellup to build 6 two-bedroom retirement units, a request from the Cranbrook Shire for $20,000 for the first stage of the Frankland River Caravan Park and $20,000 towards the completion of Frederick Square Pavilion in Cranbrook.

While the Community Bank has never intended to be the main provider of funds for community infrastructure it certainly is a major resource for the "community contribution" in these larger type community projects.

At this AGM, we say thank you to Mrs Connie Witham who has resigned from the Board as a Director however will continue on in the role of Company Treasurer and we thank Connie for her input as a Director and look forward to her continued contributions as Treasurer. The Board will also say goodbye to one of our inaugural Directors, Mr Brian Taylor who is also retiring and on behalf of the Bendigo and Adelaide Bank Ltd, the Board of Great Southern Community Financial Services Ltd, our Staff, Shareholders and Customers, I thank Brian for his valued and dedicated commitment to the Tambellup Cranbrook Community Bank as well as being a Champion of the Community Bank model.

It is as a part of the life cycle of our board that we not only farewell some directors, but we also wish to welcome Mrs Ann-Marie Lockyer, Mrs Cassandra Stipanicev and Mrs Sandy Hallett and we look forward to their contributions as full board members of GSCFSL.

Our Company Secretary Jan Pope has given of her time and expertise without question and Jan's dedication to the Community Bank concept is the reason Tambellup Cranbrook have a Community Bank.

We have just recently signed our Franchise Renewal Document which will solidify our presence in the Tambellup and Cranbrook communities well into the future so that we can continue to support our community enterprises throughout the Shires of Cranbrook and Broomehill Tambellup.

To all Directors, on behalf of the Shareholders, thank you for your efforts over the past 12 months.

Our Partners, Bendigo and Adelaide Bank Limited through their very capable and dedicated staff have provided us with a solid and stable enterprise to help build our communities. The support of this team led by Russell Jenkins in Bendigo, Mrs Vicki Pearce, State Manager WA and our Regional Manager Frank Benaquista have enabled this enterprise to flourish.

My most important thanks on behalf of the Board, Customers, Staff and Shareholders is to Adrian Bridge for his contribution to the success of the Tambellup Cranbrook Community Bank® over the past ten years and in particular, his term as Chairman of our Board. Adrian stepped down as Chairman in March 2009 but continues to make a valuable contribution as a Director on the Board and I wish to take this opportunity to express my sincerest gratitude.

Adrian's dedication to this venture and continued enthusiasm to be involved in the direction and development of the Community Bank model both within Western Australia and nationally is to be commended. I would also like to express our appreciation to Marg for her support for Adrian and also for the role she has played in representing Tambellup Cranbrook Community Bank® on many occasions, she is a wonderful ambassador on our behalf. Thank you both.

Finally, our Bank is a strong, viable asset to our communities and I thank you all for your continued support.

Andrew Murray
Chairman

2009 MANAGER'S REPORT

The Bank continues to cement its position in the local community with our business now in excess of $50m and growing strongly. Our competitive interest rates continue to attract deposit funds with strong growth in Term Investment products.

A full range of consumer banking products is provided at our Branches where our experienced and well qualified staff are able to assist.

Financial Planners and Insurance specialists are regularly at the Branch to provide specialist assistance if required and at Branch level we provide a full range of lending products from consumer, personal, housing, investment loans to business and equipment finance and full range of farm seasonal, overdraft and term loan facilities.

Recently the Bendigo Bank increased its shareholding of Elders Rural Bank to 60% rebranding it to the Rural Bank and roll out of new products and services were released in October. This is an exciting development for Cranbrook and Tambellup and will provide an excellent platform to provide products and services to our existing and new farming clients.

School Banking in Cranbrook and Tambellup is now up and running with very good support from both schools.

Localised marketing of our extensive range of insurance products recently resulted in the increase of awareness of some of the products the branches are able to provide and many of our existing clients and residents in our community may not realise how easy it is to bring their insurance requirements to us. It is important that we increase the community awareness of products we have to offer and the important contribution these additional products make to the Community Bank.

Amy Chadbourne joined us as a Customer Service officer in December and I joined the Bank in February.

The year ahead will provide challenges but will also provide opportunities. These opportunities are for the community to fully utilise their Tambellup/Cranbrook Community Bank products and services. By bringing their insurance policies to us, for example, makes a significant contribution. The opportunity for the Community Bank is to grow our business and profitability to ensure that the high level of sponsorship and grants continue to grow so that we in turn can support our communities.

Geoff Beckley
Branch Manager

GREAT SOUTHERN COMMUNITY FINANCIAL SERVICES LIMITED

ABN 75 089 136 121

Financial report for the year ended 30 June 2009

C O N T E N T S

This is annexure A of 38 pages referred to in Form 388: Copy of financial statements and reports

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Director

Dated this day of 2009

GREAT SOUTHERN COMMUNITY FINANCIAL SERVICES LIMITED

ABN 75 089 136 121

Financial report for the year ended 30 June 2009

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2009.

Directors

The names of Directors in office at any time during or since the end of the year are:

Andrew James Murray

Position:	Chairperson
Occupation:	Manager / Viticulture and Farmer
Background Information:	Manager of Powderbark Ridge Vineyard, Frankland River
Directorships held in other entities:	None
Interest in shares and options:	2,000 shares (direct)
	300 shares (indirect)

Adrian Robert Bridge

Position:	Non-Executive Director
Occupation:	Farmer / Meat Inspector
Background Information:	Experience in shearing and meat inspection. A Senior Compliance Officer in primary industries (AQIS)
Directorships held in other entities:	None
Interest in shares and options:	500 shares (direct)
	16,000 shares (indirect)

Brian Norman Taylor

Position:	Non-Executive Director
Occupation:	Farmer
Background Information:	(HONS) Woolgrower, advisory role with Regional Economic Development. Past Shire Councillor and past Chairman Tambellup Co-op.
Directorships held in other entities:	None
Interest in shares and options:	2,500 shares (direct)
	8,300 shares (indirect)

Janice Christine Pope

Position:	Non-Executive Director
Occupation:	Farmer / Business Proprietor
Background Information:	Partner in the family farming business, Former Manager of an independent publishing company, a Shire Councillor and partner in Stirling Bulk Distributors.
Directorships held in other entities:	None
Interest in shares and options:	1,000 shares (direct)
	3,600 shares(indirect)

Trevor Prout

Position:	Non-Executive Director
Occupation:	Auto Mechanic / Business Owner
Background Information:	Partner in a mechanical business in Tambellup. Former Councillor on the Shire of Tambellup and long time resident of the district.
Directorships held in other entities:	None
Interest in shares and options:	1,000 shares (indirect)

Connie Ann Witham

Position:	Non-Executive Director
Occupation:	Farmer / Accountant
Background Information:	Connie lives at Tambellup and is a partner in the family business and she is a Certified Practising Accountant. Connie was engaged as the Company Treasurer for six months before being elected to the Board of Directors in November 2007 and brings a valuable contribution to the Board. Connie continues in her role as Treasurer on a contract basis.
Directorships held in other entities:	None
Interest in shares and options:	1,000 shares

Barbara Joy Groves

Position:	Non-Executive Director
Occupation:	Administrator
Background Information:	Barbara lives at Tambellup and has been a partner in a farming business. Barbara is also Secretary of a number of community organisations in Tambellup, is held in very high regard and brings many years of experience as a volunteer and committed community member to the Board. In her role as Secretary and Treasurer of some organisations, she also has a good understanding of the Company finances and works well with the community for the benefit of the Board and the community.
Directorships held in other entities:	None
Interest in shares and options:	1,200 shares

Patricia Anne Standish (Resigned 4 September 2008)

Position:	Non-Executive Director
Occupation:	Manager of Finance and Administration, Shire of Cranbrook
Background Information:	Mrs Standish is a partner in the family farming business and has held administrative positions with the Gillamii (Landcare) Centre and Shire of Cranbrook.
Directorships held in other entities:	None
Interest in shares and options:	1,000 shares

Peter Norman Jefferies (Resigned 4 September 2008)

Position:	Non-Executive Director
Occupation:	Farmer / Business Proprietor
Background Information:	Manages a farming business at Tenterden which has been in his family for three generations. A Partner in Stirling Bulk Distributors and an Elder of the Cranbrook Baptist Community.
Directorships held in other entities:	None
Interest in shares and options:	7,000 shares

Philip Howard Birt (Resigned 4 September 2008)

Position:	Non-Executive Director
Occupation:	Retired Farmer
Background Information:	Former councillor of the Shire of Tambellup.
Directorships held in other entities:	None
Interest in shares and options:	4,800 shares

Company Secretary

Janice Christine Pope

Background Information:	Partner in the family farming business, Former Manager of an independent publishing company, a Shire Councillor and partner in Stirling Bulk Distributors.

Directors meetings attended

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each Director during the year were as follows:

Names of Directors	Directors' Meetings	
	Number eligible to attend	**Meetings attended**
Adrian Bridge	13	13
Andrew Murray	13	13
Brian Taylor	13	12
Janice Pope	13	10
Peter Jefferies	5	5
Phil Birt	5	3
Trevor Prout	13	11
Patricia Standish	3	0
Connie Witham	13	12
Barbara Groves	13	11

Principal activity and review of operations

The principal activity and focus of the Company's operations during the year was the operation of a Branch of Bendigo and Adelaide Bank Ltd, pursuant to a franchise agreement.

Operating results

The profit of the Company after providing for income tax amounted to $22,104.

Dividends paid or recommended

The Company paid or declared for payment dividends of $21,956 during the year.

Financial position

The net assets of the Company have increased from $180,627 as at 30 June 2008 to $180,775 as at 30 June 2009, which is an improvement on prior year due to the improved operating performance of the Company.

The directors believe the Company is in a stable financial position.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review, not otherwise disclosed in these financial statements.

After balance date events

No matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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.

Options

No options over issued shares or interests in the Company were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report.

The Directors and Executive do not own any options over issued shares or interests in the Company at the date of this report.

Indemnifying officers or auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an officer, but not an auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Environmental issues

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

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.

Corporate governance

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

a) Director approval of operating budgets and monitoring of progress against these budgets;

b) Ongoing Director training; and

c) Monthly Director meetings to discuss performance and strategic plans

The Company has not appointed a separate audit committee due to the size and nature of operations. The normal functions and responsibilities of an audit committee have been assumed by the Board.

Non-audit services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009:

Taxation services:	$4,700

REMUNERATION REPORT

This report details the nature and amount of remuneration for each key management person of the Company, and for the Executives receiving the highest remuneration.

Remuneration of Directors

No income was paid or was payable or otherwise made available, to the Directors of the Company during the years ended 30 June 2009 and 30 June 2008.

Remuneration policy

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between Directors, Executives and shareholders

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), and superannuation.
- The Board reviews key management personnel packages annually by reference to the Company's performance, Executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each Executive and is based predominantly on the forecast growth of the Company's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives and bonuses, which must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals may have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed

Performance-based remuneration

As part of each key management personnel's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the areas each key management personnel is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Company expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the Company and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Company's goals and shareholder wealth, before the KPIs are set for the following year

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures.

Company performance, shareholder wealth and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Executives. The method applied in achieving this aim is a performance based bonus based on key performance indicators. The Company believes this policy to have been effective in increasing shareholder wealth over the past years.

Key management personnel remuneration policy

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

The employment conditions of the key management personnel are formalised in contracts of employment. All Executives are permanent employees of the Company.

The employment contracts stipulate a resignation periods. The Company may terminate an employment contract without cause by providing appropriate written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Performance income as a proportion of total remuneration

Executives are paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The Board has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Company.

The Board will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit to ensure use of the most cost effective and efficient methods.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is included within the financial statements.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Director ____

Dated this day of 2009

RSM! Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Great Southern Community Financial Services Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief there have been no contraventions of:

a. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and

b. any applicable code of professional conduct in relation to the audit.

RSM BIRD CAMERON PARTNERS

Chartered Accountants

Perth, Western Australia

Date:

David Wall

Partner

'Liability limited by a scheme approved under Professional Standards Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms.

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
Revenue	2	453,389	491,127
Employee benefits expense		(183,094)	(170,417)
Depreciation and amortisation expense		(12,831)	(9,281)
Finance costs		(3,628)	(4,623)
Other expenses	3	(222,777)	(242,929)
Profit before income tax		31,059	63,877
Income tax expense	4	(8,955)	(19,770)
Profit attributable to members		**22,104**	**44,107**
Overall operations			
Basic profit per share (cents per share)		7.56	15.07
Diluted profit per share (cents per share)		7.56	15.07

The accompanying notes form part of these financial statements

GREAT SOUTHERN COMMUNITY FINANCIAL SERVICES LIMITED

ABN 75 089 136 121

Financial report for the year ended 30 June 2009

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	2009 $	2008 $
CURRENT ASSETS			
Cash and cash equivalents	6	151,374	154,660
Trade and other receivables	7	33,219	37,649
Other current assets	8	12,800	11,968
TOTAL CURRENT ASSETS		197,393	204,277
NON-CURRENT ASSETS			
Property, plant and equipment	9	95,648	66,449
Intangible assets	10	-	-
Deferred tax asset	23	2,630	2,330
TOTAL NON-CURRENT ASSETS		98,278	68,779
TOTAL ASSETS		**295,671**	**273,056**
CURRENT LIABILITIES			
Trade and other payables	11	25,545	29,239
Financial liability	12	19,471	12,347
Short-term provisions	13	8,763	7,762
TOTAL CURRENT LIABILITIES		53,779	49,348
NON-CURRENT LIABILITIES			
Financial liability	12	61,117	43,081
TOTAL NON-CURRENT LIABILITIES		61,117	43,081
TOTAL LIABILITIES		**114,896**	**92,429**
NET ASSETS		**180,775**	**180,627**
EQUITY			
Issued capital	14	292,750	292,750
Retained earnings/(Accumulated losses)		(111,975)	(112,123)
TOTAL EQUITY		**180,775**	**180,627**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Share Capital (Ordinary shares)	Retained earnings/ (Accumulated losses)	Total
	$	$	$
Balance at 1 July 2007	291,750	(134,123)	157,627
Profit attributable to the members of the Company	-	44,107	44,107
Shares issued	1,000	-	1,000
Dividends paid or provided	-	(22,107)	(22,107)
Balance at 30 June 2008	**292,750**	**(112,123)**	**180,627**
Balance at 1 July 2008	292,750	(112,123)	180,627
Profit attributable to the members of the Company	-	22,104	22,104
Dividends paid or provided	-	(21,956)	(21,956)
Balance at 30 June 2009	**292,750**	**(111,975)**	**180,775**

GREAT SOUTHERN COMMUNITY FINANCIAL SERVICES LIMITED

ABN 75 089 136 121

Financial report for the year ended 30 June 2009

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		$	$
Cash flows from operating activities			
Receipts from customers		450,818	479,233
Payments to suppliers and employees		(407,690)	(411,054)
Interest received		8,613	8,848
Borrowing costs paid		(3,628)	(4,623)
Income tax paid		(12,573)	(41,802)
Net cash provided by operating activities	15	35,540	30,602
Cash flows from investing activities			
Payments for plant and equipment		(42,030)	(16,095)
Net cash used in investing activities		(42,030)	(16,095)
Cash flows from financing activities			
Repayment of borrowings		(9,840)	(8,474)
Proceeds from borrowings		35,000	-
Proceeds for shares issued		-	1,000
Dividends paid		(21,956)	(22,107)
Net cash provided by/(used) in financing activities		3,204	(29,581)
Net decrease in cash held		(3,286)	(15,074)
Cash held at the beginning of the financial year		154,660	169,734
Cash held at the end of the financial year	**6**	**151,374**	**154,660**

The accompanying notes form part of these financial statements

1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the Company as an individual entity. The Company is a public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (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.

(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 expense (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 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.

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.

(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.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. 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 transactions costs where the instrument is 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 derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company 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.

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 they 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 and 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 Company's intention 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 other 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.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

The Company does not hold any derivative instruments.

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 un securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, 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 income statement.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the Company gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The Company has not issued any financial guarantees.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

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

(f) Intangibles

Franchise fee

The franchise fee paid by the Company pursuant to a Franchise Agreement with Bendigo and Adelaide Bank Ltd is being amortised over the initial five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) 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 the present value of the estimated future cash outflows to be made for those benefits.

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

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

(j) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) 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.

(m) Comparative figures

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

(n) 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.

Key estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2009. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2009 amounting to $Nil.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Company will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Company's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of

an investment but will be recognised as income;

— impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and

— where there is, in substance, no change to Company interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

The Company will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 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. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101: Presentation of Financial Statements, 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 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- 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] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Company as a policy of capitalising qualifying borrowing costs has been maintained by the Company.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1

January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.
- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Company.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.
- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Company.
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Company.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The Company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Company's financial statements.

(p) Authorisation for financial report

The financial report was authorised for issue on ..../........../2009 by the Board of Directors

	2009 $	2008 $
2. Revenue		
Franchise margin income	446,263	479,482
Interest revenue	7,001	11,313
Other revenue	125	332
	453,389	**491,127**
3. Expenses		
Advertising and marketing	9,409	6,698
Bad debts	19	819
Community sponsorship and donations	24,998	65,808
Freight and postage	7,915	1,985
Insurance	17,599	9,465
IT leasing and running costs	45,509	46,423
Motor Vehicles	5,865	4,230
Printing and stationary	8,207	11,051
Rental on operating lease	6,475	6,192
Repairs and maintenance	2,488	2,892
Security	2,877	5,020
Other operating expenses	91,416	82,346
	222,777	**242,929**
Remuneration of the auditors of the Company		
Audit services	6,600	4,500
Other services	4,700	4,000
	11,300	**8,500**

	2009 $	2008 $
4. Income tax expense		
a. The components of tax expense comprise:		
Current tax	9,255	20,882
Deferred tax (Note 23)	(300)	(1,112)
	8,955	**19,770**
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2008: 30%)	9,318	19,163
Add:		
Tax effect of:		
— non-deductible depreciation and amortisation	-	2,784
— other non-allowable items	195	2,936
Less:		
Tax effect of:		
— other allowable items	(558)	(5,113)
Income tax attributable to the Company	**8,955**	**19,770**

5. Key management personnel compensation

a. Names and positions

Name	*Position*
Andrew James Murray	Chairman
Adrian Robert Bridge	Non-Executive Director
Brian Norman Taylor	Non-Executive Director
Janice Christine Pope	Non-Executive Director/Secretary
Peter Norman Jefferies	Resigned
Phillip Howard Birt	Resigned
Trevor Prout	Non-Executive Director
Patricia Anne Standish	Resigned
Connie Ann Witham	Non-Executive Director
Barbara Joy Groves	Non-Executive Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

b. Options provided as remuneration and shares issued on exercise of such options

No options were provided as remuneration or shares issued on exercise of options

c. Option holdings

No options over ordinary shares in the Company are held by any Director of the Company or other key management personnel, including their personally related parties.

d. Shareholdings

Number of ordinary shares held directly and indirectly by key management personnel

2009

	Ordinary Shares			
Directors	*Balance at beginning of period*	*Purchased during the period*	*Other changes*	*Balance at end of period*
Adrian Bridge	16,500	-	-	16,500
Andrew Murray	1,300	1,000	-	2,300
Brian Taylor	10,800	-	-	10,800
Janice Pope	4,600	-	-	4,600
Connie Witham	1,000	-	-	1,000
Barbara Groves	1,200	-	-	1,200
Trevor Prout	1,000	-	-	1,000
	36,400	**1,000**	**-**	**37,400**

6. Cash and cash equivalents

	2009 $	**2008 $**
Cash at bank and in hand	151,374	154,660

Reconciliation of cash

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

	2009 $	**2008 $**
Cash and cash equivalents	151,374	154,660
	151,374	**154,660**

	2009	**2008**
	$	**$**

7. Trade and other receivables

Trade debtors	**33,219**	**37,649**

a. Provision For Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

There is no provision for impairment of receivables.

8. Other assets

Current		
Accrued Income	1,114	2,726
Prepayments	4,029	4,903
Income tax credit	7,657	4,339
	12,800	**11,968**

9. Property, plant and equipment

Building		
Cost	81,646	49,712
Accumulated depreciation	(17,761)	(14,984)
	63,885	**34,728**
Plant and Equipment		
Cost	32,262	22,167
Accumulated depreciation	(11,803)	(7,659)
	20,459	**14,508**

	2009 $	2008 $
Motor Vehicle		
Cost	23,636	23,636
Accumulated depreciation	(12,332)	(6,423)
	11,304	**17,213**
Total property, plant & equipment	**95,648**	**66,449**

Reconciliation of the carrying value for each class of property, plant and equipment are set out below:

	2009 $	2008 $
Building		
Balance at the beginning of the year	34,728	37,214
Additions	31,934	
Depreciation expense	(2,777)	(2,486)
Carrying amount at the end of the year	**63,885**	**34,728**
Plant and equipment		
Balance at the beginning of the year	14,508	776
Additions	10,095	16,095
Depreciation expense	(4,144)	(2,363)
Carrying amount at the end of the year	**20,459**	**14,508**
Motor vehicle		
Balance at the beginning of the year	17,213	21,645
Additions	-	-
Disposals	-	-
Depreciation expense	(5,909)	(4,432)
Carrying amount at the end of the year	**11,304**	**17,213**
Total carrying amount at the end of the year	**95,648**	**66,449**

		2009 $	2008 $
10.	**Intangible assets**		
	Franchise fee		
	Cost	50,000	50,000
	Accumulated amortisation	(50,000)	(50,000)
		-	**-**

Pursuant to a five year franchise agreement with Bendigo and Adelaide Bank Ltd, the Company operates a branch of Bendigo and Adelaide Bank Ltd, providing a core range of banking products and services.

		2009 $	2008 $
11.	**Trade and other payables**		
	Trade creditors and accruals	22,022	17,292
	GST payable	3,154	11,947
	Unclaimed Dividends	369	-
		25,545	**29,239**
12.	**Financial liabilities**		
	Current		
	Credit card	378	227
	Chattel mortgage	5,413	4,932
	Mortgage loan	13,680	7,188
		19,471	**12,347**
	Non current		
	Chattel mortgage	9,015	14,336
	Mortgage loan	52,102	28,745
		61,117	**43,081**

Security:

The bank overdraft and mortgage loan are secured by a floating charge over the Company's assets.

		2009 $	2008 $
13.	**Provisions**		
	Current		
	Provision for employee entitlements	**8,763**	**7,762**
	Number of employees at year end	**4**	**4**
14.	**Equity**		
	292,750 (2008: 291,750) fully paid ordinary shares	292,750	291,750
	Issue of Shares	-	1,000
		292,750	**292,750**
15.	**Cash flow information**		
	a. Reconciliation of cash flow from operations with profit after tax		
	Profit after tax	22,104	44,107
	Depreciation and amortisation	12,831	9,281
	Movement in assets and liabilities		
	Receivables	4,430	(3,046)
	Other assets	(832)	(4,320)
	Deferred tax asset	(300)	(1,112)
	Payables	(3,694)	(1,433)
	Provisions	1,001	(12,875)
	Net cash used in operating Activities	**35,540**	**30,602**

b. Credit Standby Arrangement and Loan Facilities

The Company does not operate a bank overdraft facility.

16. Related party transactions

Connie Witham trading under the name of Witham Agronomy & Accounting received $10,247 for treasury services. The services were provided on a commercial basis.

No other parties have entered into a transaction with the Company during the financial years ended 30 June 2009 and 30 June 2008.

	2009 $	2008 $
17. Leasing commitments		
Non cancellable operating lease commitment contracted for but not capitalised in the financial statements		
Payable		
Not longer than 1 year	6,156	6,156
Longer than 1 year but not longer than 5 years	10,773	16,929
	16,929	**23,085**
18. Dividends		
Distributions paid		
Interim franked ordinary dividend paid on ***5 November 2008*** of 7.5 (2008: 7.5) cents per share. Franked at the Tax Rate of 30% (2008:30%)	**21,956**	**21,956**

19. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills and leases.

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

a. Financial risk management policies

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not have any derivative instruments at 30 June 2009.

b. Financial risk exposures and management

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

i. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

ii. Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Iii. Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

iv. 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.

There are no material amounts of collateral held as security at 30 June 2009.

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.

Credit risk is managed reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

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

c. Financial Instrument Composition and Maturity analysis

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 period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

2009

		Variable	Fixed			
	Weighted Average Effective Interest Rate	Floating Interest Rate	Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	Total
Financial Assets						
Cash and cash equivalents	3.20%	151,374	-	-	-	151,374
Loans and receivables		-	-	-	33,219	33,219
Total Financial Assets		**151,374**	**-**	**-**	**33,219**	**184,593**
Financial Liability						
Bank loan secured	7.89%	-	19,471	61,117	-	80,588
Trade and other payables		-	-	-	25,545	25,545
Total Financial Liabilities		**-**	**19,471**	**61,117**	**25,545**	**106,133**

2008

		Variable	Fixed			
	Weighted Average Effective Interest Rate	Floating Interest Rate	Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	Total
Financial Assets						
Cash and cash equivalents	6.90%	154,660	-	-	-	154,660
Loans and receivables		-	-	-	39,925	39,925
Total Financial Assets		**154,660**	**-**	**-**	**39,925**	**194,585**
Financial Liability						
Bank loan secured	7.89%	-	12,347	43,081	-	55,428
Trade and other payables		-	-	-	29,239	29,239
Total Financial Liabilities		**-**	**12,347**	**43,081**	**29,239**	**84,667**

	2009 $	2008 $
Trade and sundry payables are expected to be paid as followed:		
Less than 6 months	**25,545**	**29,239**

d. Net Fair Values

The net fair values of investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

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

Fair values are materially in line with carrying values.

e. Sensitivity Analysis

i. Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

ii. Interest Rate Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

2009

		-2 %		+ 2%	
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial Assets					
Cash and cash equivalents	151,374	(3,027)	(3,027)	3,027	3,027

2008

		-2 %		+ 2%	
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial Asset					
Cash and cash equivalents	154,660	(3,093)	(3,093)	3,093	3,093

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The Company has no exposure to fluctuations in foreign currency.

20. Segment reporting

The Company operates in the financial services sector as a branch of Bendigo and Adelaide Bank Ltd in Western Australia.

21. Events after the balance sheet date

No matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

22. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at the reporting date.

	2009 $	2008 $
23. Tax		
a. Liability		
Current		
Income tax	**9,218**	**19,770**
b. Assets		
Deferred tax assets comprise:		
Provisions	2,630	2,330
	2,630	**2,330**

c. Reconciliations

i. Gross Movements

The overall movement in the deferred tax account is as follows:

Opening balance	2,330	1,218
Charge/(credit) to income statement	300	1,112
Closing balance	**2,630**	**2,330**

ii. Deferred Tax Assets

The movement in deferred tax assets for each temporary difference during the year is as follows:

Provisions		
Opening balance	2,330	1,218
Credited to the income statement	300	1,112
Closing balance	**2,630**	**2,330**

24. Company details

The registered office of the Company is:

36 Norrish Street

Tambellup WA 6320

The principal places of business of the Company are:

36 Norrish Street

Tambellup WA 6320

25 Gathorne Street

Cranbrook WA 6321

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standard; and
   b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Company
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view.
3. 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 ______________________________

Dated this day of 2009

RSM Bird Cameron Partners
Chartered Accountants

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INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
GREAT SOUTHERN COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Great Southern Community Financial Services Limited ("the company"), 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, 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 ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

a. the financial report of Great Southern 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 2009 and of its performance for the year ended on that date; and

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Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

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ii. complying with Australian Accounting Standards (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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the financial year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Great Southern Community Financial Services Limited for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*

RSM BIRD CAMERON PARTNERS

Chartered Accountants

Perth, Western Australia

Date:

David Wall

Partner