

HARBORD FINANCIAL SERVICES LIMITED

ACN: 097 282 525

Freshwater
Community Bank[®]
Branch



2011

Tenth

ANNUAL REPORT

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Chairman's Report for year ended 30th June 2011

It is my pleasure to report on the progress of Harbord Financial Services Limited (HFSL) for the year ended 30th June 2011

Vale Ken Ward

This has been a sad year for us with the sudden demise of our Manager Ken Ward in January from melanoma. Ken was not only a great Manager but one loved and respected by all the staff and Directors. Ken's willing contribution not only to the Bank operations but also his passionate embrace of the whole Community Bank concept giving generously of his personal time and attending countless community events on our behalf. He will be sorely missed by all.

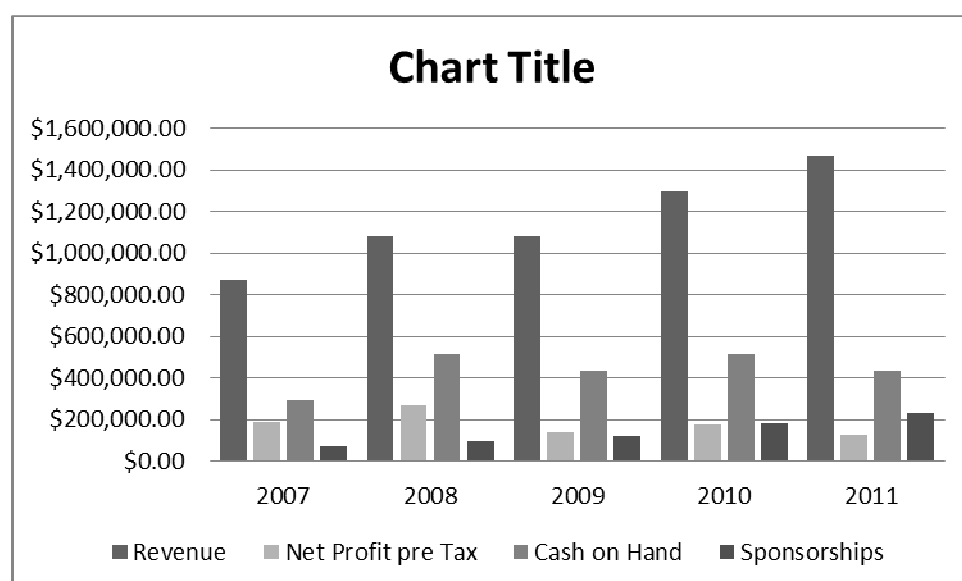
Operating Results

Once again we have exceeded our targets in income and kept our costs under control.

This enabled us to distribute additional funds by way of sponsorships and provide a further \$100,000 into the Community Enterprise Foundation for future projects and grant. Consideration of this Foundation expense should be taken into account in the recording of a reduction in profit compared to last year as it will form part of our grants program in the following year.

Results were affected marginally in the negative in the last quarter with the reduction in margins imposed by Bendigo to bring their return from our income back into balance with the terms of our franchise. This adjustment will impact materially in 2012 and has been considered in the budgeting process. It is anticipated however it should be absorbed by the predicted continued growth in the business.

Revenue from ordinary activities increased from \$1,305,443 to \$1,469,622. With the increase in costs (Foundation contribution of \$100,000 and significant community support already promised of \$229,792 (\$184,057 last year), the profit before tax reduced to \$128,274 from \$173,697 in 2010. This has seen cash assets decrease marginally.



Dividend Payment

Your Directors after reviewing the situation suggest a franked dividend this year of 10 cents per share (last year 10 cents) or \$69,306
This dividend will be paid in February as was the case last year.

Adding Value to the Community.

This year we have seen a further significant increase in our sponsorships (see graph above) and other financial support to numerous local clubs and community organisations. Details of these amounts continue to be listed on the back page of this report.

Stock Exchange and Shareholder Value

HFSL is now a listed entity on the Bendigo Exchange as previously advised directly to you by our Secretary Ian Greentree.

We are disappointed at the market price of the shares considering the return on funds and asset backing but are advised that low volume shares such as ours have this effect.

Directors Contribution and Ambassadorship

With the increased number of sponsorships and community assistance we now actively support, we have added a further mechanism to assist in management, in the form of Ambassadors. Some of these Ambassadors may wish to progress to a Directorship when a vacancy occurs. We anticipate this progression will form the basis of the introduction of new Directors in the future.

The voluntary efforts of all our Directors keep our bank a fresh and exciting place to be associated with. Without their passion and commitment, I doubt our Bank would be the great success it is. We continue to lead the way in New South Wales and are considered by Bendigo Bank as such. The Directors met monthly during the year with the exception of January 2011.

Retiring Directors by rotation this year are, Company Secretary Ian Greentree, Treasurer Garry Chadwick and Founding Director Ian Joynson who have all nominated for re-appointment.

This year Darren Jones resigned due to other commitments and we thank him for his service. Due to our new ambassador structure he has not been replaced at this time.

Acknowledging Our New Bank Manager and Staff

After a suitable trial period and the unanimous approval of Bendigo, our staff and the Directors, our Assistant Manager Sandra Kleiner was elevated to Manager in May 2011. Having been in the job for 6 months Sandra has clearly demonstrated she has the ability to get the job done.

To accommodate the continued expansion and in order to maintain the level of service Helen has joined the team this year. We are truly blessed to have what we consider the best team possible at HFSL. Sandra, Angela, Su-Ellen, Kerryn, Cheerie, Kasey, Helen, Melanie, Belinda and Simmone are efficient, friendly and caring both to customers and the business alike.

We also wish to acknowledge our auditor David Hutchings of AFS for his assistance and guidance in compliance issues.

In Conclusion.

On behalf of the Board I wish to thank you once again for your continued support and we encourage you to be pro-active, spread the good news by telling our wonderful story and recommending our services to all your friends.

Should you wish to add value to our cause we welcome applications for an Ambassadorship. Should you wish further information of what is required we suggest you go to our website.

www.harbordfinancialservices.com.au

A handwritten signature in black ink, appearing to read 'Trevor Sargeant', with a large, stylized initial 'T'.

**Trevor Sargeant
Chairman**

Manager's Report

Results this year were very pleasing with continued business growth. Total overall footings increased by 11% to \$141 million. Business for 2011/12 is also looking promising as we start the new financial year.

I was appointed to the role of Manager mid May 2011 after the sad passing of Ken Ward, much of our last 12 months success can be attributed to his management and hard work. Ken Ward worked tirelessly for the Freshwater Community Bank for the last 9 years and he has left some big shoes to fill. He has been sadly missed by our staff, board of directors and customers.

My transition into the Manager's role has been assisted by a valuable team of hard working staff. All have accepted increased responsibilities to ensure that we continue to maintain ongoing efficient and friendly service.

Angela has been with the branch since its inception with both Su-Ellen and Kasey both celebrating 5 years service this year. Both Su-Ellen and Kasey have been recognised with a position upgrade to Senior Customer Services Officers.

Helen has recently accepted the position of Customer Relationship Manager and my assistant.

Melanie continues in the position of Business Development Officer which involves the managing and co-ordinating of contributions returned to our Community by way of sponsorship and donations. Freshwater Community Bank has this year been able to return \$229,792 of our profit back into the Community. This is something we are very proud of.


Simmone also continues her valuable contribution working behind the scenes in her support role to our board of directors and is of great assistance to me.

Not forgetting our remaining girls Cheerie, Belinda and Kerryn who together with all the staff play an important role in our success.

I have received tremendous support from our Partners Bendigo and Adelaide Bank Ltd. Special thanks to our Regional Manager Alex Hughes, Area Manager Leain Oliver and the entire State Office staff. Their ongoing support and assistance in what has been a steep learning curve for me ensures our continued success.

Finally many thanks to our board of directors for their faith in appointing me in the Manager's role and their ongoing support and contribution to the success of your Company. Many would not realise how committed they are and how tirelessly they work in the various roles as volunteers.

It is very satisfying to work for an organisation that is so community focussed and which gives so much back into its community. We are able to continue to do this and be successful with the ongoing support we receive from both our customers and shareholders.



Sandra Kleiner
Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2011

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

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

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

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

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

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

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

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

In May, Fitch Ratings upgraded Bendigo and Adelaide Bank's Long-Term Issuer Default Rating (IDR) to A- from BBB+. This announcement saw us become the first Australian bank – and one of the very few banks globally – to receive an upgrade since the Global Financial Crisis. Standard & Poor's revised credit rating soon followed seeing Bendigo and Adelaide Bank (BEN) shift from BBB+ stable, to BBB+ positive. These announcements reflect the hard and diligent work

by all our staff, our sound risk management practices, low-risk funding and balance sheet structure, sound capital ratios and a sustained improvement in profitability.

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

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

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

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

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

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

Russell Jenkins
Executive Customer and Community

Harbord

Financial Services Limited

ABN 25 097 282 525

Financial Statements

as at

30 June 2011

Harbord Financial Services Limited
ABN 25 097 282 525
Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2011.

Directors

The names and details of the company's directors who held office during or since the end of the financial year:

Trevor Leslie Sargeant

Chairman
Age: 56
Dentist
Holds a Bachelor of Dentistry Science from Sydney University.
Special Responsibilities: Human Resources Committee, Audit Committee and Business Development Committee
Interests in shares: 2,001

Ian John Greentree

Company Secretary
Age: 56
Strategic Business Analyst, Accountant and Solicitor
Fellow Institute of Public Accountants
Holds a Diploma in Law (SAB)
Special Responsibilities: Human Resources Committee and Audit Committee
Interests in shares: 1,501

Bradley Raymond O'Connor

Director
Age: 52
Chief Executive Officer
Board director for nine years and Rotary Club President for numerous years. Holds a commercial pilots licence.
Special Responsibilities: Business Development Committee
Interests in shares: 5,501

Noela Rose Roberts

Director
Age: 60
Retired
Holds a Bachelor of Economics and worked as an accountant for 30 years.
Special Responsibilities: Business Development Committee and Youth Observer Mentor
Interests in shares: 9,001

Darren Grigor Jones

Director (*Resigned 24 May 2011*)
Age: 63
Builder
25 years elected local government councillor (3 terms as Mayor). Six years local government executive member New South Wales.
Special Responsibilities: Human Resources Committee and Building Committee
Interests in shares: 3,001

Garry Stanley Chadwick

Treasurer
Age: 65
Accountant/Company Director
Certified Practising Accountant and Justice of the Peace.
Special Responsibilities: Business Development Committee and Audit Committee
Interests in shares: 15,001

Ian Charles Joynson

Director
Age: 72
Retired: Self Funded Retiree
Held positions as Proprietor of Harbord Newsagency and Marketing executive of a Public Company
Special Responsibilities: Business Development Committee and Youth Observer Mentor
Interests in shares: 2,001

Martin Edwin Brook

Director
Age: 53
Pharmacist
Holds a Bachelor of Pharmacy and has been a retail Pharmacist for 33 years. Proprietor of Brook's Pharmacy Freshwater for 22 years.
Special Responsibilities: Human Resources Committee
Interests in shares: 2,001

John Vaccaro

Director
Age: 49
Licensed Real Estate Agent and Justice of the Peace
30 years experience in operating and selling real estate. Licensee in charge, training group leader and supervisor.
Special Responsibilities: Business Development Committee
Interests in shares: 501

No directors have material interests in contracts or proposed contracts with the company.

Harbord Financial Services Limited
ABN 25 097 282 525
Directors' Report

Company Secretary

The Company Secretary is Ian Greentree. Ian has been the Company's Secretary since 27 November 2006. He has a Diploma in Law admitted as a Solicitor to the Supreme Court of NSW, Associate Diploma in Accounting, Fellow Institute of Public Accountants, Associate of Chartered Secretaries Australia and previously held the position of assistant Company Secretary of Advance Bank Australia Limited.

Principal Activities

The principal activities of the company during the course of the financial year were in facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Operating Results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2011	Year ended 30 June 2010
\$	\$
91,573	123,599

Remuneration Report

No Director receives remuneration for services as a Company Director or Committee Member.

The Board is responsible for the determination of remuneration packages and policies applicable to the Manager and staff. The Manager is invited to all Board meetings to report on the management of the branch and as required to discuss performance and remuneration packages.

The Manager is paid a base salary, which for the year ended 30 June 2011 was in the range \$90,000 to \$100,000 (plus superannuation).

Dividends	Year Ended 30 June 2011	
	Cents	\$
Prior period dividend paid during the year:	10.00	69,306

Significant Changes in the State of Affairs

During the year a new Branch Manager Sandra Kleiner was promoted from Assistant Manager in May due to the passing of our long standing Manager Ken Ward. Otherwise in the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Matters Subsequent to the End of the Financial Year

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

Likely Developments

The company will continue its policy of facilitating banking services to the community.

Environmental Regulation

The company is not subject to any significant environmental regulation.

Harbord Financial Services Limited
ABN 25 097 282 525
Directors' Report

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnification and Insurance of Directors and Officers

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

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

Directors Meetings

The number of directors meetings attended by each of the directors of the company during the year were:

	Board Meetings Attended		Committee Meetings Attended													
			Audit		Operations and Human Resources		Strategic Planning		Business Development *		Sponsorship *		Marketing *		Building	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Trevor Leslie Sargeant	15	13	2	2	-	-	4	4	1	1	-	-	2	2	1	1
Garry Stanley Chadwick	15	11	2	1	-	-	4	4	5	5	1	1	5	3	4	4
Ian John Greentree	15	14	2	2	2	2	4	4	-	-	-	-	1	1	-	-
Ian Charles Joynson	15	15	-	-	-	-	4	3	5	5	6	4	3	1	1	1
Bradley Raymond O'Connor	15	13	-	-	-	-	4	-	5	-	3	2	-	-	2	2
Martin Edwin Brook	15	10	-	-	2	2	4	4	-	-	-	-	-	-	-	-
Noela Rose Roberts	15	10	-	-	-	-	4	4	5	5	6	5	1	1	-	-
John Vaccaro	15	14	-	-	-	-	4	4	5	5	-	-	6	6	-	-
Darren Grigor Jones (<i>Resigned 24 May 2011</i>)	14	12	-	-	2	1	3	1	-	-	-	-	-	-	2	2

A - Eligible to attend

B - Number attended

* From January 2011 the Sponsorship Committee and Marketing Committee merged to become the Business Development Committee.

Non Audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The board of directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Harbord Financial Services Limited
ABN 25 097 282 525
Directors' Report

Auditors' Independence Declaration

A copy of the auditors' 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 at Freshwater, New South Wales on 6th September 2011.



Trevor Leslie Sargeant, Chairman

**Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001
to the directors of Harbord Financial Services Limited**

I declare, that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

6th September 2011

Harbord Financial Services Limited
ABN 25 097 282 525
Statement of Comprehensive Income
for the Year Ended 30 June 2011

	<u>Notes</u>	2011 \$	2010 \$
Revenues from ordinary activities	4	1,469,622	1,305,443
Employee benefits expense		(588,185)	(545,848)
Charitable donations, sponsorship, advertising and promotion	5	(432,759)	(258,720)
Occupancy and associated costs		(116,523)	(114,568)
Systems costs		(23,785)	(24,733)
Depreciation and amortisation expense	5	(33,138)	(24,950)
Finance costs		(9)	(8,094)
General administration expenses		(146,949)	(154,833)
Profit before income tax expense		128,274	173,697
Income tax expense	6	(36,701)	(50,098)
Profit after income tax expense		91,573	123,599
Total comprehensive income for the year		91,573	123,599
Earnings per share (cents per share)		<u>c</u>	<u>c</u>
- basic for profit for the year	21	13.21	17.83

The accompanying notes form part of these financial statements

Harbord Financial Services Limited
ABN 25 097 282 525
Balance Sheet
as at 30 June 2011

	<u>Notes</u>	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	433,610	512,014
Trade and other receivables	8	128,360	139,443
Current tax asset	11	11,615	-
Investments		5,000	5,000
Total Current Assets		<u>578,585</u>	<u>656,457</u>
Non-Current Assets			
Property, plant and equipment	9	218,702	188,610
Intangible assets	10	10,000	20,000
Deferred tax assets	11	12,107	19,129
Total Non-Current Assets		<u>240,809</u>	<u>227,739</u>
Total Assets		<u>819,394</u>	<u>884,196</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	12	36,504	71,743
Current tax liabilities	11	-	23,982
Provisions	13	26,399	40,547
Total Current Liabilities		<u>62,903</u>	<u>136,272</u>
Non-Current Liabilities			
Provisions	13	21,430	35,130
Total Non-Current Liabilities		<u>21,430</u>	<u>35,130</u>
Total Liabilities		<u>84,333</u>	<u>171,402</u>
Net Assets		<u>735,061</u>	<u>712,794</u>
Equity			
Issued capital	14	613,376	613,376
Retained earnings	15	121,685	99,418
Total Equity		<u>735,061</u>	<u>712,794</u>

The accompanying notes form part of these financial statements

Harbord Financial Services Limited
ABN 25 097 282 525
Statement of Changes in Equity
for the Year Ended 30 June 2011

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2009	613,376	31,264	644,640
Total comprehensive income for the year	-	123,599	123,599
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(55,445)	(55,445)
Balance at 30 June 2010	613,376	99,418	712,794
Balance at 1 July 2010	613,376	99,418	712,794
Total comprehensive income for the year	-	91,573	91,573
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(69,306)	(69,306)
Balance at 30 June 2011	613,376	121,685	735,061

The accompanying notes form part of these financial statements

Harbord Financial Services Limited
ABN 25 097 282 525
Statement of Cashflows
for the Year Ended 30 June 2011

	<u>Notes</u>	2011 \$	2010 \$
Cash Flows From Operating Activities			
Receipts from customers		1,571,828	1,177,718
Payments to suppliers and employees		(1,487,752)	(963,683)
Interest received		25,341	30,798
Interest paid		(9)	(8,094)
Income tax refund		-	37,556
Income taxes paid		(65,276)	(30,000)
Net cash provided by operating activities	16	44,132	244,295
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(53,230)	(109,562)
Payments for investments		-	(5,000)
Net cash used in investing activities		(53,230)	(114,562)
Cash Flows From Financing Activities			
Dividends paid		(69,306)	(55,445)
Net cash used in financing activities		(69,306)	(55,445)
Net increase/(decrease) in cash held		(78,404)	74,288
Cash and cash equivalents at the beginning of the financial year		512,014	437,726
Cash and cash equivalents at the end of the financial year	7(a)	433,610	512,014

The accompanying notes form part of these financial statements

Harbord Financial Services Limited
ABN 25 097 282 525
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 1. Summary of Significant Accounting Policies

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standard Boards and the Corporations Act 2001.

Compliance with IFRS

These financial statements and notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Financial statement presentation

The company has applied revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The company has elected to present all items of income and expense recognised in the period in a single statement of comprehensive income.

Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative figures

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

Adoption of new and revised Accounting Standards

During the current year the entity has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the company.

AASB 101 Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

Note 1. Summary of Significant Accounting Policies (*continued*)

a) Basis of Preparation (*continued*)

The company's financial statements contain a single statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of “other comprehensive income” which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

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, as follows:

- AASB 9: *Financial Instruments* and AASB 2009-11: *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*
- AASB 2009-12: *Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has determined these amendments will have no impact on the preparation of the financial statements and therefore they have not been applied.

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank®** branch at Freshwater, New South Wales.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name “Bendigo Bank” and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank®** branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank®** branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank®** branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fit out of the **Community Bank®** branch;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

Harbord Financial Services Limited
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Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

b) Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue calculation

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of the monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as "day to day" banking business (ie 'margin business'). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of that loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (ie 'commission business'). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example in February 2011 Bendigo and Adelaide Bank Limited reduced commissions on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its **Community Bank®** partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank Limited and **Community Bank®** companies remain balanced.

The third source of revenue is a proportion of the fees and charges (ie, what are commonly referred to as 'bank fees and charges') charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

c) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

Note 1. Summary of Significant Accounting Policies (*continued*)

c) Income Tax (*continued*)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

d) Employee Entitlements

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.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

f) Trade Receivables and Payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

g) Property, Plant and Equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements	40 years
- plant and equipment	2.5 - 40 years
- furniture and fittings	4 - 40 years

h) Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

Note 1. Summary of Significant Accounting Policies (*continued*)

i) Payment Terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

j) Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

k) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. 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 entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Classification and subsequent measurement

(i) 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.

(ii) Held-to-maturity investments

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

(iii) Financial liabilities

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

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to 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 period.

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.

m) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

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Notes to the Financial Statements
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Note 1. Summary of Significant Accounting Policies (*continued*)

n) Contributed Equity

Ordinary shares are recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Note 2. Financial Risk Management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

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Notes to the Financial Statements
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Note 2. Financial Risk Management (continued)

(vi) Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the balance sheet.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the distribution limit.

- (i) the distribution limit is the greater of:
 - (a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
 - (b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period; and
- (ii) the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2011 can be seen in the statement of comprehensive income.

There were no changes in the company's approach to capital management during the year.

Note 3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the statement of comprehensive income.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Harbord Financial Services Limited
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Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 3. Critical Accounting Estimates and Judgements (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired branch/agency at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The calculations require the use of assumptions.

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Note 4. Revenue from Ordinary Activities	2011	2010
	\$	\$
Operating activities:		
- services commissions	1,445,312	1,270,125
- other revenue	1,299	4,520
Total revenue from operating activities	<u>1,446,611</u>	<u>1,274,645</u>
Non-operating activities:		
- interest received	23,011	30,798
Total revenue from non-operating activities	<u>23,011</u>	<u>30,798</u>
Total revenues from ordinary activities	<u><u>1,469,622</u></u>	<u><u>1,305,443</u></u>

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Notes to the Financial Statements
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Note 5. Expenses	2011	2010
	\$	\$
Depreciation of non-current assets:		
- plant and equipment	9,961	4,916
- leasehold improvements	13,177	10,034
Amortisation of non-current assets:		
- franchise agreement	10,000	10,000
- franchise renewal fee		
	<u>33,138</u>	<u>24,950</u>
Bad debts	<u>3,798</u>	<u>1,091</u>
Charitable donations, sponsorship, advertising and promotion:		
- advertising	26,197	19,172
- marketing	58,552	36,345
- donations	118,218	19,146
- sponsorship	229,792	184,057
	<u>432,759</u>	<u>258,720</u>

Included as part of donations for the current year is a \$100,000 contribution to the Community Enterprise Foundation that will be used for grants, applied by the foundation, to suitable projects in the Freshwater area during the 2011/12 financial year.

Note 6. Income Tax Expense

The components of tax expense comprise:

- Current tax	29,679	53,981
- Movement in deferred tax	7,022	(3,883)
	<u>36,701</u>	<u>50,098</u>

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

Operating profit	128,274	173,697
Prima facie tax on profit from ordinary activities at 30%	38,482	52,109
Add tax effect of:		
- non-deductible expenses	3,000	3,120
- timing difference expenses	(7,022)	3,884
- other deductible expenses	(4,781)	(5,132)
	<u>29,679</u>	<u>53,981</u>
Movement in deferred tax	11 7,022	(3,883)
	<u>36,701</u>	<u>50,098</u>

Note 7. Cash and Cash Equivalents

Cash at bank and on hand	60,125	138,529
Term deposits	373,485	373,485
	<u>433,610</u>	<u>512,014</u>

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

Note 7.(a) Reconciliation of cash

Cash at bank and on hand	60,125	138,529
Term deposits	373,485	373,485
	<u>433,610</u>	<u>512,014</u>

Harbord Financial Services Limited
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Notes to the Financial Statements
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Note 8. Trade and Other Receivables	2011	2010
	\$	\$
Trade receivables	115,321	113,976
Other receivables and accruals	5,182	9,836
Prepayments	7,857	15,631
	<u>128,360</u>	<u>139,443</u>
 Note 9. Property, Plant and Equipment		
<u>Plant and equipment</u>		
At cost	101,340	90,077
Less accumulated depreciation	(60,033)	(50,072)
	<u>41,307</u>	<u>40,005</u>
 <u>Leasehold improvements</u>		
At cost	317,937	275,970
Less accumulated depreciation	(140,542)	(127,365)
	<u>177,395</u>	<u>148,605</u>
 Total written down amount	<u>218,702</u>	<u>188,610</u>
 Movements in carrying amounts:		
<u>Plant and equipment</u>		
Carrying amount at beginning	40,005	9,335
Additions	11,263	35,587
Disposals	-	-
Less: depreciation expense	(9,961)	(4,917)
Carrying amount at end	<u>41,307</u>	<u>40,005</u>
 <u>Leasehold improvements</u>		
Carrying amount at beginning	148,605	84,663
Additions	41,967	73,976
Disposals	-	-
Less: depreciation expense	(13,177)	(10,034)
Carrying amount at end	<u>177,395</u>	<u>148,605</u>
 Total written down amount	<u>218,702</u>	<u>188,610</u>
 Note 10. Intangible Assets		
<u>Franchise fee</u>		
At cost	100,000	100,000
Less: accumulated amortisation	(90,000)	(80,000)
Total written down amount	<u>10,000</u>	<u>20,000</u>

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Notes to the Financial Statements
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	2011	2010
	\$	\$
Note 11. Tax		
Current:		
Income tax payable/(refundable)	<u>(11,615)</u>	<u>23,982</u>
Non-Current:		
<u>Deferred tax assets</u>		
- employee provisions	16,019	26,072
	<u>16,019</u>	<u>26,072</u>
<u>Deferred tax liability</u>		
- accruals	1,555	2,253
- deductible prepayments	2,357	4,690
	<u>3,912</u>	<u>6,943</u>
Net deferred tax asset/(liability)	<u>12,107</u>	<u>19,129</u>
Movement in deferred tax charged to statement of comprehensive income	<u>7,022</u>	<u>(3,883)</u>
Note 12. Trade and Other Payables		
Trade creditors	6,907	10,013
Other creditors and accruals	29,597	61,730
	<u>36,504</u>	<u>71,743</u>
Note 13. Provisions		
Current:		
Provision for annual leave	18,755	32,595
Provision for sick leave	7,644	7,952
Provision for annual leave	<u>26,399</u>	<u>40,547</u>
Non-Current:		
Provision for long service leave	<u>21,430</u>	<u>35,130</u>
Note 14. Contributed Equity		
693,059 Ordinary shares fully paid (2010: 693,059)	693,059	693,059
Less: equity raising expenses	(79,683)	(79,683)
	<u>613,376</u>	<u>613,376</u>

Rights attached to shares

(a) *Voting rights*

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

Note 14. Contributed Equity (*continued*)

Rights attached to shares (*continued*)

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank®** have the same ability to influence the operation of the company.

(b) *Dividends*

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

(c) *Transfer*

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 374. As at the date of this report, the company had 412 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

The Bendigo Stock Exchange (BSX) has advised that in its view the prohibited shareholding provisions are appropriate and equitable but the 'base number test' is not as a result the base number clause does not operate whilst the company remains listed on the BSX.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

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Note 15. Retained Earnings	2011	2010
	\$	\$
Balance at the beginning of the financial year	99,418	31,264
Net profit from ordinary activities after income tax	91,573	123,599
Dividends paid or provided for	(69,306)	(55,445)
Balance at the end of the financial year	<u>121,685</u>	<u>99,418</u>

Note 16. Statement of Cashflows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities

Profit from ordinary activities after income tax	91,573	123,599
Non cash items:		
- depreciation	23,138	14,950
- amortisation	10,000	10,000
Changes in assets and liabilities:		
- (increase)/decrease in receivables	11,083	(10,229)
- (increase)/decrease in other assets	(4,593)	57,654
- increase/(decrease) in payables	(35,239)	27,335
- increase/(decrease) in provisions	(27,848)	20,986
- increase/(decrease) in current tax liabilities	(23,982)	-
Net cashflows provided by operating activities	<u>44,132</u>	<u>244,295</u>

Note 17. Leases

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

- not later than 12 months	87,139	86,280
- between 12 months and 5 years	-	81,400
- greater than 5 years	-	-
	<u>87,139</u>	<u>167,680</u>

The lease on the branch premises is a non-cancellable lease with a five-year term which expires on 13 June 2012. There are three options to renew the lease for a further five years available to be exercised at the conclusion of each term. Annual rent is currently \$87,139 plus GST.

Note 18. Auditors' Remuneration

Amounts received or due and receivable by the auditor of the company for:

- audit and review services	4,500	3,000
- share registry services	2,663	3,568
- non audit services	2,010	6,354
	<u>9,173</u>	<u>12,922</u>

Harbord Financial Services Limited
ABN 25 097 282 525
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 19. Director and Related Party Disclosures

The names of directors who have held office during the financial year are:

Trevor Leslie Sargeant
Garry Stanley Chadwick
Ian John Greentree
Ian Charles Joynson
Bradley Raymond O'Connor
Martin Edwin Brook
Noela Rose Roberts
John Vaccaro
Darren Grigor Jones (*Resigned 24 May 2011*)

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

Directors Shareholdings	<u>2011</u>	<u>2010</u>
Trevor Leslie Sargeant	2,001	2,001
Garry Stanley Chadwick	15,001	15,001
Ian John Greentree	1,501	1,001
Ian Charles Joynson	2,001	2,001
Bradley Raymond O'Connor	5,501	5,501
Martin Edwin Brook	2,001	2,001
Noela Rose Roberts	9,001	6,001
John Vaccaro	501	501
Darren Grigor Jones (<i>Resigned 24 May 2011</i>)	3,001	3,001

Note 20. Dividends Paid or Provided	<u>2011</u>	<u>2010</u>
	<u>\$</u>	<u>\$</u>
a. Dividends paid during the year		
Prior year proposed final		
100% (2010: 100%) franked dividend - 10 cents (2010: 8 cents) per share	<u>69,306</u>	<u>55,445</u>
b. Franking account balance		
Franking credits available for subsequent reporting periods are:		
- franking account balance as at the end of the financial year	77,637	42,064
- franking credits that will arise from payment of income tax payable as at the end of the financial year	-	23,982
- franking debits that will arise from refund of income tax as at the end of the financial year	<u>(11,615)</u>	<u>-</u>
Franking credits available for future financial reporting periods:	66,022	66,046
- franking debits that will arise from payment of dividends proposed or declared before the financial report was authorised for use but not recognised as a distribution to equity holders during the period	<u>-</u>	<u>-</u>
Net franking credits available	<u>66,022</u>	<u>66,046</u>

The tax rate at which dividends have been franked is 30% (2010: 30%).

Dividends proposed will be franked at a rate of 100% (2010: 100%).

Harbord Financial Services Limited
ABN 25 097 282 525
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 21. Earnings Per Share

	2011	2010
	\$	\$
(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	91,573	123,599
	<u>Number</u>	<u>Number</u>
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	693,059	693,059

Note 22. Events Occurring After the Balance Sheet Date

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 23. Contingent Liabilities

There were no contingent liabilities at the date of this report to affect the financial statements.

Note 24. Segment Reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services in Freshwater, New South Wales pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 25. Registered Office/Principal Place of Business

The entity is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

<u>Registered Office</u>	<u>Principal Place of Business</u>
20 Albert Street Freshwater NSW 2096	20 Albert Street Freshwater NSW 2096

Note 26. Financial Instruments

Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the balance sheet. The company does not have any unrecognised financial instruments at the year end.

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest Rate Risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 %	2010 %
Financial Assets												
Cash and cash equivalents	59,732	138,229	373,485	373,485	-	-	-	-	393	300	4.23	5.04
Receivables	-	-	-	-	-	-	-	-	115,321	139,443	N/A	N/A
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	36,504	71,743	N/A	N/A

Harbord Financial Services Limited
ABN 25 097 282 525
Directors' Declaration

In accordance with a resolution of the directors of Harbord Financial Services Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the board of directors.



Trevor Leslie Sargeant, Chairman

Signed on the 6th of September 2011.

Independent Auditor's Report To The Members Of Harbord Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Harbord Financial Services Limited, which comprises the balance sheet as at 30 June 2011, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, 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 presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and 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 fair accounting estimates that are reasonable in the circumstances. In note 1, the directors also state in accordance with the Accounting Standard AASB 101 Presentation of Financial Statements that the financial statements comply 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 our 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, we consider internal controls relevant to the entity's preparation and 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company's financial position and of its performance.

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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion on the Financial Report

In our opinion:

- 1) The financial report of Harbord Financial Services Limited is in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 30 June 2011 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards and the Corporations Regulations 2001.
- 2) The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2011. 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 Harbord Financial Services Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.



DAVID HUTCHINGS

ANDREW FREWIN & STEWART

61-65 Bull Street, Bendigo, 3550

6th September 2011

BSX report

Registered Office and Principal Administrative Office

The registered office of the company and the principal administrative office are both located at:

20 Albert Street
FRESHWATER NSW 2096
Telephone: 9939 6744

Share information

In accordance with Bendigo Stock Exchange listing rules the company provides the following information as at 19 September 2011, which is within six weeks of this report being sent to shareholders.

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

Number of Shares held	Number of shareholders
1 – 1000	270
1,001 – 5,000	135
5,001 – 10,000	5
10,001 – 100,000	1
101,000 and over	00
Total	411

Each of the above shareholders are entitled to one vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than five per cent of voting rights) as each shareholder is entitled to one vote. Normally holding more than five per cent of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the company.

There are twelve shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary fully paid to \$1 per share. There are no unquoted equity securities.

The following table which is required to show the 10 largest shareholders are represented by 59 shareholders as 53 have 5,000 shares.

Shareholder	Number of Shares	Percentage of Capital
MRS MARGARET LOUISE STAAS	5000	0.72%
MR HARRY S BEDIKIAN	5000	0.72%
MRS MARGARET KATHLEEN HUCKLE & MR ROBERT CHARLES HUCKLE	5000	0.72%
MRS SUSAN B MORGAN & MR MICHAEL MORGAN	5000	0.72%
ESTATE LATE NORRIE Q JONES & SUSAN MORGAN	5000	0.72%
KEELPIN PTY LTD <SUPER FUND A/C>	5000	0.72%
PETER GARD & JOY GARD <GARD FAMILY SUPER FUND A/C>	5000	0.72%
SCOTT ALLEN SMITH	5000	0.72%
GOLONG INVESTMENT PTY LTD	5000	0.72%
MR WILLIAM ARCHIBALD TUESLEY & MRS BETTY JOYCE TUESLEY	5000	0.72%
MR IAN GEOFFREY KIRK <KIRK FAMILY CHILDREN A/C>	5000	0.72%
MR GUNTHER BIRK & MRS HELEN LOUISE BIRK	5000	0.72%
MR ROBERT ANTHONY WALKER	5000	0.72%
GRAHAM RIGONI & JULIE RIGONI	5000	0.72%
MR ANDRO TOMICH & MRS LAURA TOMICH	5000	0.72%
MR NEIL MICHAEL CRUMMY	5000	0.72%
MRS MARTHA JANE CRUMMY	5000	0.72%
WHITE CAPERS PTY LTD	5000	0.72%
MR LEIGH GERARD SIMON	5000	0.72%
MR RONALD VINCENT SPLATT & MRS LESLEY SPLATT	5000	0.72%
BMP CONSULTING PTY LTD	5000	0.72%
GSC INVESTMENT SERVICES P/L	5000	0.72%
GSC INVESTMENT SERVICES P/L <SUPERANNUATION FUND A/C>	5000	0.72%
ESTATE LATE JAN CHADWICK	5000	0.72%
MR ROSS ALAN DALGLEISH & MRS MARIE THERESE DALGLEISH	5000	0.72%
MRS DARIEN WISE	5000	0.72%
BILL MESSENGER	5000	0.72%
MR ALAN GOURLAY	5000	0.72%
MRS KAREN LOUISE GOURLAY	5000	0.72%
ANTHONY TIBBLES & GWEN TIBBLES	5000	0.72%
CENTRE FOR HEALTH PROMOTION & RESEARCH PTY LTD	5000	0.72%
MRS SUTCHADA HEATON	5000	0.72%
MR BRADLEY O'CONNOR	5000	0.72%
MRS SUSAN JANE MARTIN	5000	0.72%
MR STEFAN WILLIAMS & MS JANELLE WILLIAMS	5000	0.72%
GARETH PUGH JONES	5000	0.72%
SONJA EKSTEIN	5000	0.72%
ALEC LAZICH & JOAN LAZICH	5000	0.72%
MRS HELEN ELIZABETH CRUMP	5000	0.72%
KARL MAX KOLLER	5000	0.72%
MR DOUGLAS HAMILTON NORTH	5000	0.72%
MRS DEIRDRE CHAMBERS	5000	0.72%
MR FRANK NOBLE	5000	0.72%
BARRY AUSTIN JONES & IMELDA CLAIRE JONES	5000	0.72%
MRS PATRICIA ELLEN HORTON	5000	0.72%
MR TREVOR MARK HORTON	5000	0.72%
KEN SPARKS <SUPERANNUATION FUND A/C>	5000	0.72%
MERSQUAD INVESTMENTS PTY LTD <HARBORD	5000	0.72%

GROWERS MARKET A/C>		
MR RICHARD GRANVILLE WRAY	5000	0.72%
MS ANN NOREEN RICHARDS	5000	0.72%
JOHN FREDERICK ROBERTS	5000	0.72%
SYLVIA MAY MORTON	5000	0.72%
REX MCLAREN MAILMAN	5000	0.72%
MR PHILLIP ROHAN MARSH	6000	0.87%
SANTOSHA SUPERANNUATION FUND PTY LTD	6231	0.90%
<SANTOSHA SUPER FUND A/C>		
WINPAR HOLDINGS LIMITED	7500	1.08%
MRS NOELA ROSE ROBERTS	8001	1.15%
BRETROE PTY LTD <JOHN THORPE & PATRICIA KING	10000	1.44%
SUPERANNUATION FUND A/C>		
GREGORY ANDREW MARAUN <ESTATE PETER NOEL	12000	1.73%
MARAUN A/C>		
Total number of shares and percentage	314,732	45.41%

Security Register

The Security register (share register) is kept at:

AFS & Associates	Postal Address:
61 – 65 Bull Street,	PO BOX 454
BENDIGO VIC 3550	BENDIGO VIC 3552

Telephone: (03) 5443 0344

Company Secretary

Ian Greentree has been the company secretary of Harbord Financial Services Ltd for 5 years. Ian's qualifications and experience include:

- Diploma in Law admitted as a Solicitor to the Supreme Court of NSW
- Associate Diploma in Accounting member of National Institute of Accountants
- Associated Chartered Secretaries Australia
- Previous Assistant Company Secretary of Advance Bank Australia Limited.

Corporate Governance

The Company has implemented various corporate practices, which include:

- a) The establishment of an audit committee. Members of the audit committee are Trevor Sargeant, Ian Greentree and Garry Chadwick.
- b) Director approval of operating budgets and monitoring of progress against these budgets;
- c) Ongoing Director training;
- d) Monthly Director meetings to discuss performance and strategic plans.

Annexure 3A

There are no material differences between the information in the company's Annexure 3A and the information in the financial documents in its annual report.

Shareholder Dividend History

YEAR	Cents per share	Total Distribution
2004 / 2005	2.25 cents	\$15,593.83
2005 / 2006	3.5 cents	\$24,257.06
2006 / 2007	10 cents	\$69,305.90
2007 / 2008	10 cents	\$69,305.90
2008 / 2009	8 cents	\$55,444.72
2009 / 2010	10 cents	\$69,305.90
2010 / 2011	10 cents	\$69,305.90

2010-2011 Sponsorship and related Advertising

NAME OF RECIPIENT	PURPOSE	AMOUNT
Adam Hennessy Promotions	Sponsorship "Freshwater Community Bank Pro Surfing Competition 2011"	\$5,000.00
Club Weldon	Sponsorship 2010 Fundraising Dinner	\$303.00
Curl Curl Amateur Swim Club	Sponsorship 2011 - Shirts	\$750.00
Curly United Boardriders Association	Sponsorship 2010 - Trophies / Prizes & advertising at nippers for new members	\$750.00
Dee Why Lions Rugby Club	Sponsorship 2011 Season & Club Jerseys	\$2,500.00
Freshwater Amateur Swim Club	Sponsorship 2010-2011 Season - Administration & New honour board	\$750.00
Freshwater Chamber of Commerce	Sponsorship 2011 - Anchor Sponsor Freshwater Fair	\$5,000.00
Freshwater Festival of Chamber Music Inc.	Sponsorship 2010 Festival	\$5,000.00
Freshwater Longboard Club	Sponsorship 2010-2011 Season	\$1,500.00
Freshwater Senior Campus	Sponsorship 2010 Manager and Principal Annual Merit Awards	\$5,000.00
Freshwater SLSC	Sponsorship 2010-2011 Annual Season Sponsor	\$20,000.00
Freshwater Softball Club	Sponsorship 2010-2011 - Shirts	\$1,500.00
Harbord Bowling and Recreation Club	Sponsorship 2011 Open Two Bowls Triples Tournament	\$10,000.00
Harbord Devils Junior Cricket Club	Sponsorship 2010-2011 Season Sponsor + Equipment	\$2,000.00
Harbord Fish Bowl	Sponsorship 2010-2011 - Shirts	\$1,000.00
Harbord Frigid Frogs Winter Swim Club	Sponsorship 2010 Annual Winter Swimming Championships	\$2,000.00
Harbord Harlequins Rugby Club	Sponsorship 2010 Annual Season Sponsor	\$4,000.00
Harbord Public School	Sponsorship 2010-2011 - Awards / Spring Fair / School Band	\$3,104.54
Harbord Public School	Sponsorship Annual 'Community Sponsor'	\$10,000.00
Harbord Scouts 1st & 2nd Group	Sponsorship 2010 - Equipment	\$1,500.00
Harbord Seaside United FC	Sponsorship 2011 - Shirts	\$6,000.00
Harbord United JRLFC	Sponsorship 2011 - Jerseys	\$2,000.00
Harbord Women's Bowling Club	Sponsorship 2011 Annual Carnival Day	\$300.00
Long Reef Boardriders Association	Sponsorship "God's Country Team Titles 2010 Northern Beaches" tournament	\$1,500.00
Manly Allambie FC	Sponsorship 2011 - Shirts	\$2,500.00
Manly Bombers JAFC	Sponsorship 2011 - Equipment	\$2,000.00
Manly Council	Sponsorship "Manly Council Christmas Choral Concert" 2010	\$2,727.28
Manly Cove JRLFC	Sponsorship 2011 Annual Season Sponsor	\$5,000.00
Manly Croquet Club Inc.	Sponsorship 2010 "Annual Seabreeze Tournament"	\$909.09
Manly Eagle Tag	Sponsorship 2010-2011 Annual Season Sponsor	\$750.00
Manly Junior Rugby Club NZ Tour	Sponsorship 2010 Fundraising Dinner	\$500.00
Manly Seaside Baseball Club	Sponsorship 2010-2011 Annual Season Sponsor	\$1,500.00
Manly Vale Community Garden Inc.	Sponsorship 2010 Inaugural Community Garden Opening	\$1,050.00
Manly Warringah Avicultural Society Inc.	Sponsorship 2011 Annual Bird Show	\$500.00
Manly Warringah Netball Association	Sponsorship 2011 Annual Season Sponsor	\$20,000.00
Manly Warringah Sea Eagles Ltd	Sponsorship 2011 Annual Season Sponsor	\$3,000.00
Manly Warringah Wolves AFL Club	Sponsorship 2011 - Shorts	\$3,000.00
North Curl Curl SLSC	Sponsorship 2010-2011 Annual Season Sponsor	\$20,000.00
Northern Beaches Symphony Orchestra	Sponsorship 2010-2011	\$1,500.00
Northern Beaches Orchestra	Sponsorship 2010-2011	\$10,000.00
Northside Branch Budgerigar Society of NSW	Sponsorship 2011 Annual Bird Show	\$500.00
North Curl Curl Knights JRLFC	Sponsorship 2011 - Uniforms & Trophies	\$2,000.00
Rotary Club of Brookvale	Sponsorship Pub to Pub Additional Costs	\$224.00
St Augustines College Brookvale	Sponsorship 2010 Piano Competition	\$2,000.00
St Luke's Grammar School	Sponsorship 2010 Annual Golf Challenge	\$1,227.27
St Mark's Anglican Church	Sponsorship Toy and Tucker Collection Christmas 2010	\$283.17
St Paul's College Manly	Sponsorship 'Community Sponsor'	\$5,000.00
South Curl Curl SLSC	Sponsorship 2010-2011 Annual Season Sponsor	\$20,000.00
Sydney Multicultural Festival	Sponsorship 2011	\$10,000.00
Sydney Northern Beaches Water Polo Inc.	Sponsorship 2010 Equipment	\$2,600.00
Valley United RLFC	Sponsorship 2010-2011 Season Sponsor & Valley M's Awards Night	\$10,064.27
Warringah Cricket Club	Sponsorship 2010-2011 Season Sponsor	\$5,000.00
Warringah Rugby Club Inc.	Sponsorship 2010-2011 Season Sponsor	\$2,500.00
Warringah Softball Club Inc.	Sponsorship 2010-2011 Season Sponsor	\$2,000.00
TOTAL		\$229,792.62

If you are involved with a Community organisation or sporting club,
Freshwater **Community Bank** branch of Bendigo Bank would welcome your banking.

This report is printed on Impact and Mega recycled papers.

Freshwater
Community Bank®
Branch



HARBORD FINANCIAL SERVICES LIMITED ACN: 097 282 525
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