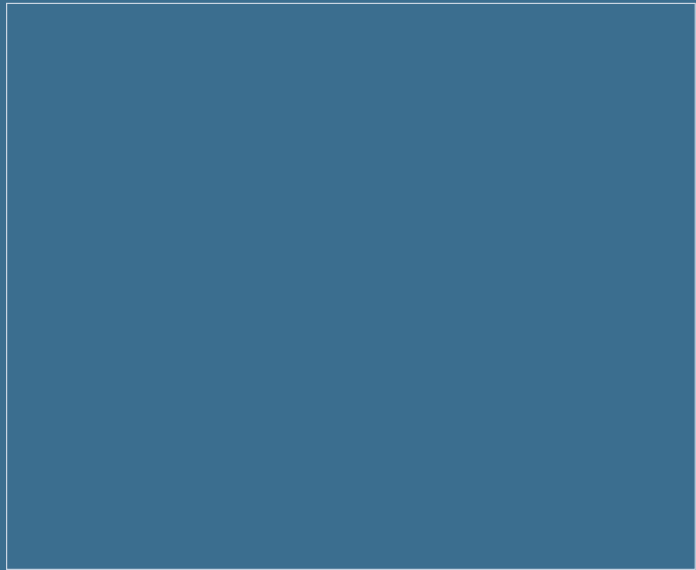
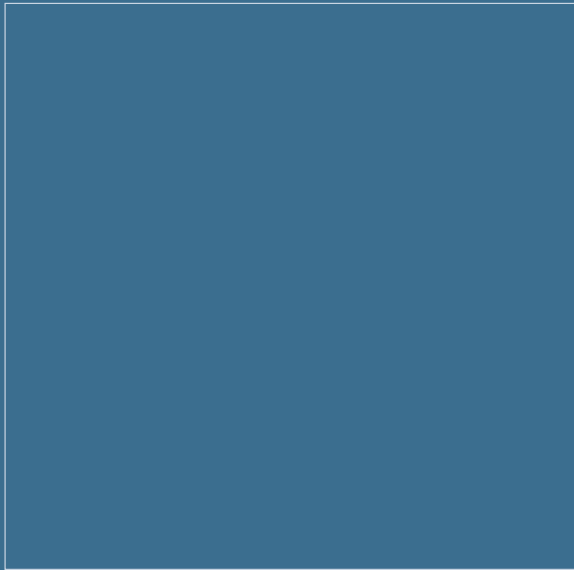


annual report | 2009



Heathcote & District
Financial Services Limited
ABN 44 112 376 986

Heathcote & District **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2009

It is with a great deal of pleasure and satisfaction that the Board of Directors of Heathcote and District Financial Services Ltd, the operators of the Heathcote & District **Community Bank**[®] Branch, have been able to declare a dividend for our shareholders, to be paid out of the profit made in the fourth year of operation.

To the end of the financial year 2008/2009, the Heathcote & District **Community Bank**[®] Branch was able to report a profit of \$38,336 from business funds of more than \$52 million. As a result, the Directors were able to declare a dividend of six cents per share.

This has been a very satisfying achievement for the Board of management, the staff and shareholders.

This report covers the fourth year of trading by the Heathcote & District **Community Bank**[®] Branch, which opened for business on 1 July 2005.

Those who have been involved with the bank throughout its brief history will recall how we opened for limited business in very temporary premises while we awaited the completion of the purpose-built office. We began operations in our current building on 26 August 2005, a highlight of the year in Heathcote, with Bendigo Bank Chairman Rob Hunt officially declaring the branch open. Since then, we have experienced steady growth, despite the turbulent economic times.

The past year has seen some movement on the Board table, with the resignation of Directors Greg Williams and Patrick Connally.

Greg Williams had been a significant figure in the establishment of the bank, and held the position of Treasurer for several years. Business obligations in China eventually meant he felt he was unable to fulfill his obligations as a Director. Patrick Connally was able to lend his considerable experience and knowledge to the Board but also reluctantly withdrew during the year. Both men made significant contributions to the Board and the establishment of the bank and they have earned our gratitude.

The Board has been indeed fortunate to have been able to gain the services of Bryan Wearne as a member during the year. Bryan's business expertise and community involvement already has proved valuable to the operation. He has taken the role as chairman of the marketing sub-committee.

All of our Board members bring individual experience, skills and professional attributes to the Boardroom table and our Company is fortunate to have a group of enthusiastic and dedicated people prepared to put in countless hours of honorary work for their community.

A most pleasing aspect of the past year has been the performance of our staff under the guidance of Manager Les Owens. Good staff are the greatest asset of any business and we are fortunate to have a dedicated team.

Chairman's report continued

Once again this year, the Heathcote & District **Community Bank**[®] Branch has been able to support a number of local organisations with donations and sponsorships, again including the Heathcote Wine and Food Expo and the exciting Human Powered Vehicle project. As a Board, we look forward to being able to support more organisations as the business grows.

One of the most important contributions made by your **Community Bank**[®] branch in the past year was to victims of the Black Saturday bushfires at Redesdale. The bank made available cash grants to those who lost property and this was very gratefully received.

The operation of the Heathcote & District **Community Bank**[®] Branch would not be possible without our partners, the Bendigo and Adelaide Bank Ltd and I take this opportunity to personally thank the bank staff, in particular, regional Manager Phil Whiting, for his untiring assistance.

For your **Community Bank**[®] branch to continue to achieve its aim of being able to distribute profits back into the community, everyone needs to play a part. It needs all of our shareholders to be customers, all of our customers to be ambassadors.

The **Community Bank**[®] concept is a powerful community force and the community can make it happen.



Barry Cail
Chairman

Manager's report

For year ending 30 June 2009

In a year in which we have witnessed the worst global financial crisis in history, I take great pleasure to present our fourth full year trading results.

The financial year has presented a great challenge to which the staff have responded magnificently, total business has grown by a staggering 32.47% from \$40,458,000 at 30 June 2008 to \$53,598,000 at 30 June 2009.

We now hold deposit and lending accounts totalling 2,667 in number compared to 2,413 at this time last year, also over the counter teller transactions now average 2,329 per month compared to 2,162 this time last financial year. It is worth noting that as the branch ages each year, you are not going to see rapid growth in number of accounts held or large increases in over the counter transactions.

Our 24 hour a day 7 days a week street front ATM (automatic teller machine) continues to be a success with transactions averaging 6,544 per month, well up from the 6,070 average of the last financial year.

As the economy has been unstable it is a great advantage to have access to Melissa Butler a Bendigo and Adelaide Bank Ltd qualified financial planner. Melissa holds a CFP (Certified Financial Planner) in financial planning and has been able to assist many customers during this difficult time; thank you Melissa for your wealth of knowledge and assistance.

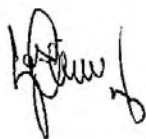
We have only seen one change in staff, with Marnie White our full-time Customer Service Officer returning home in June to W.A. to take up a similar role in Perth. I thank Marnie for her effort over the past year. Heidi Cook our part time Customer Service Officer has stepped up into Marnie's position. We have advertised for a replacement for Heidi's position.

The past financial year has been very rewarding, and without the support of the **Community Bank**[®] Board and my State support team in Bendigo we could have not achieved the results we have. A special mention to my team, Jodie my Customer Relationship Officer who has taken a lot of weight from my shoulders, sharing loan interviews and documentation. My front line customer service staff of Maree, Marnie and Heidi have provided excellent customer service throughout the year. Thank you all very much.

Again this year the Heathcote & District **Community Bank**[®] Branch has been able to put money back into the community assisting various groups via donations and sponsorships.

In summarising, during a difficult economic climate, I have enjoyed the challenge and look forward to the next 12 months.

I would like to thank the Board, my staff and the community of Heathcote & District for your continuing support of our **Community Bank**[®] branch. I would like to thank everyone for promoting the branch and your continued support will only see further benefits returned to the community.



Les Owens
Branch Manager

Directors' report

For year ending 30 June 2009

Your Directors submit the financial report of the Company for the financial year ended 30 June 2009.

Directors

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

Barry Maxwell Cail

Chairman

Age: 56

Occupation: Business Owner

Experience & expertise: Career in journalism

Interests in shares: 2,001

Joseph Zurek

Director

Age: 61

Occupation: Retired

Experience & expertise: Corporate accountant,

Supermarket proprietor

Interests in shares: 10,001

Colin Bernard Stobaus

Director

Age: 63

Occupation: Builder

Experience & expertise: Building industry

Interests in shares: 3,001

Eleanor Louise Johnson Dempster

Director

Age: 49

Occupation: Self employed

Experience & expertise: Small business,
agriculture

Interests in shares: Nil

Caroline FitzGerald James

Director

Age: 65

Occupation: Owner/Manager

Experience & expertise: Education & Administration

Interests in shares: 500

Keith Macpherson Chambers

Director

Age: 56

Occupation: Retired

Experience & expertise: Education

Interests in shares: 1,001

Ian Douglas Cordiner

Director

Age: 69

Occupation: Director

Experience & expertise: Senior management

Interests in shares: 6,001

Gregory Ian Speirs

Director

Age: 59

Occupation: Manager

Experience & expertise: Local Government

Interests in shares: 5,000

Directors' report continued

Bryan Rutherford Wearne

Director (Appointed 21 April 2009)

Age: 49

Occupation: General Manager

Experience & expertise: Marketing

Interests in shares: Nil

Patrick Joseph Connally

Director (Resigned 31 July 2009)

Gregory John Williams

Director (Resigned 2 March 2009)

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company, other than those outlined in Note 16 in the Notes to the Financial Statements.

Company Secretary

The Company Secretary is Kathryn Mary Gilmore. Kathryn was appointed to this position on 1 September 2008. Kathryn had previously held the position and was the initial Secretary from 5 January 2005 until 28 August 2006. She also has extensive administration expertise and works for a Bendigo accountancy firm.

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 Ltd.

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

Operating results

The recent global financial crisis has adversely impacted the stability of the international financial system. The current global financial crisis presents a challenge for all financial institutions, including Bendigo and Adelaide Bank Ltd and in turn Heathcote & District Financial Services Limited. The duration and extent of the global financial crisis is still largely unknown and continuation of these conditions could adversely affect the ongoing financial performance or financial condition of the Company's business as a franchisee of a **Community Bank**[®] branch. The profit of the Company for the financial year after provision for income tax was:

Year ended	Year ended
30 June 2009	30 June 2008
\$	\$
26,268	11,936

Directors' report continued

Remuneration report

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

The Board's policy in respect of the Branch Manager is to maintain remuneration at parity within the **Community Bank®** network and local market rates for comparable roles.

There are no Company executives who are directly accountable and responsible for the strategic direction and operational management of the entity. This is wholly a Board role (who act in a voluntary capacity).

Therefore the Board is of the view that there are no Senior Managers as defined by the Corporations Act.

Dividends

No dividends were declared or paid in the previous year and the Directors are reviewing the financial situation of the Company and anticipate a dividend will be declared in the near future.

Significant changes in the state of affairs

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

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.

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 except as disclosed in note 16 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Directors' report continued

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:

	Number of Board meetings eligible to attend	Number attended
Barry Maxwell Cail	11	9
Caroline FitzGerald James	11	9
Joseph Zurek	11	10
Keith Macpherson Chambers	11	8
Colin Bernard Stobaus	11	5
Ian Douglas Cordiner	11	11
Eleanor Louise Johnson Dempster	11	8
Gregory Ian Speirs	11	9
Bryan Rutherford Wearne (Appointed 21 April 2009)	3	3
Patrick Joseph Connally (Resigned 31 July 2009)	11	4
Gregory John Williams (Resigned 2 March 2009)	7	1

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 is 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.

Directors' report continued

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 Professional Statement F1, 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.

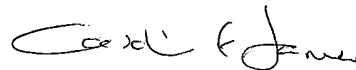
Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Signed in accordance with a resolution of the Board of Directors at Heathcote, Victoria on 31 August 2009.



Barry Maxwell Cail
Chairman



Caroline FitzGerald James
Director

Auditor's independence declaration



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ABN 51 061 795 337

Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the directors of Heathcote & District 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 2009 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
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated 31st day of August 2009

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	3	480,648	402,589
Salaries and employee benefits expense		(249,951)	(229,155)
Advertising and promotion expenses		(33,474)	(8,598)
Occupancy and associated costs		(34,695)	(33,053)
Systems costs		(22,004)	(22,986)
Depreciation and amortisation expense	4	(19,218)	(19,303)
General administration expenses		(82,970)	(70,781)
Profit before income tax expense		38,336	18,713
Income tax expense	5	(12,068)	(6,777)
Profit for the period		26,268	11,936
Profit attributable to members of the entity		26,268	11,936
Earnings per share (cents per share)		¢	¢
- basic for profit for the year	18	4.4	2

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash assets	6	262,075	236,706
Trade and other receivables	7	27,139	17,349
Total current assets		289,214	254,055
Non-current assets			
Property, plant and equipment	8	79,849	60,975
Intangible assets	9	20,402	32,402
Deferred tax assets	10	51,337	63,405
Total non-current assets		151,588	156,782
Total assets		440,802	410,837
Liabilities			
Current liabilities			
Trade and other payables	11	15,146	11,449
Total current liabilities		15,146	11,449
Total liabilities		15,146	11,449
Net assets		425,656	399,388
Equity			
Issued capital	12	558,357	558,357
Accumulated losses	13	(132,701)	(158,969)
Total equity		425,656	399,388

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		501,992	383,583
Payments to suppliers and employees		(466,744)	(363,766)
Interest received		16,213	12,431
Net cash provided by operating activities	14	51,461	32,248
Cash flows from investing activities			
Payments for property, plant and equipment		(26,092)	-
Net cash used in investing activities		(26,092)	-
Cash flows from financing activities			
Repayment of borrowings		-	(2,940)
Net cash used in financing activities		-	(2,940)
Net increase in cash held		25,369	29,308
Cash at the beginning of the financial year		236,706	207,398
Cash at the end of the half-year	6(a)	262,075	236,706

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Note	2009 \$	2008 \$
Total equity at the beginning of the period		399,388	387,452
Net profit for the period		26,268	11,936
Net income/expense recognised directly in equity		-	-
Total income and expense recognised by the entity for the year		26,268	11,936
Dividends provided for or paid		-	-
Shares issued during period		-	-
Costs of issuing shares		-	-
Total equity at the end of the period		425,656	399,388

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Summary of significant accounting policies

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

Historical cost convention

The financial report has been prepared under the historical cost conventions 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.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). 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.

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 for 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 ATO are classified as operation cash flows.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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 tax 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 comprehensive 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 intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

Intangibles

The cost of the Company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

Cash

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

Comparative figures

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (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.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Company's investment in each branch.

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Estimated impairment of goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(above). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

Impairment of assets

At each reporting date, the consolidated entity 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. Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Impairment of assets (continued)

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.

Payment terms

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

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.

Borrowings

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

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 transactions 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Financial instruments (continued)

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 income statement.

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 is transferred to entities in the entity 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

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.

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.

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 Ltd.

Notes to the financial statements continued

Note 2. Financial risk management (continued)

(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 Ltd mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Ltd 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 Ltd mitigates this risk significantly.

(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 2009 can be seen in the Income Statement.

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

Notes to the financial statements continued

	2009 \$	2008 \$
Note 3. Revenue from ordinary activities		
Operating activities:		
- services commissions	424,717	353,929
- other revenue	40,617	35,417
Total revenue from operating activities	465,334	389,346
Non-operating activities:		
- interest received	15,314	13,243
Total revenue from non-operating activities	15,314	13,243
Total revenues from ordinary activities	480,648	402,589

Note 4. Expenses

Depreciation of non-current assets:		
- plant and equipment	2,578	4,132
- leasehold improvements	4,640	3,171
Amortisation of non-current assets:		
- franchise agreement	12,000	12,000
	19,218	19,303

Note 5. Income tax expense

The components of tax expense comprise:

- Current tax	-	-
- Deferred tax	2,153	-
- Recoupment of prior year tax losses	9,915	6,777
- Future income tax benefit attributable to losses	-	-
	12,068	6,777

Notes to the financial statements continued

	Note	2009 \$	2008 \$
Note 5. Income tax expense (continued)			
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Operating profit		38,336	18,713
Prima facie tax on profit from ordinary activities at 30%		11,501	5,614
Add tax effect of:			
- non-deductible expenses		3,600	3,600
- timing difference expenses		322	(244)
- other deductible expenses		(5,508)	(2,193)
Current tax		9,915	6,777
Movement in deferred tax	10.	2,153	-
Income tax expense on operating profit		12,068	6,777

Note 6. Cash assets

Cash at bank and on hand	39,223	35,169
Term deposits	222,852	201,537
	262,075	236,706

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

6 (a) Reconciliation of cash

Cash at bank and on hand	39,223	35,169
Term deposit	222,852	201,537
	262,075	236,706

Notes to the financial statements continued

	2009 \$	2008 \$
Note 7. Trade and other receivables		
Trade receivables	22,107	12,143
Prepayments	5,032	5,206
	27,139	17,349

Note 8. Property, plant and equipment

Plant and equipment

At cost	44,890	38,794
Less accumulated depreciation	(20,658)	(18,081)
	24,232	20,713

Leasehold improvements

At cost	74,553	54,557
Less accumulated depreciation	(18,936)	(14,295)
	55,617	40,262

Total written down amount

	79,849	60,975
--	---------------	---------------

Movements in carrying amounts

Plant and equipment

Carrying amount at beginning	20,713	23,884
Additions	6,096	-
Disposals	-	-
Less: depreciation expense	(2,577)	(3,171)
Carrying amount at end	24,232	20,713

Leasehold improvements

Carrying amount at beginning	40,262	44,394
Additions	19,996	-
Disposals	-	-
Less: depreciation expense	(4,641)	(4,132)
Carrying amount at end	55,617	40,262

Total written down amount

	79,849	60,975
--	---------------	---------------

Notes to the financial statements continued

	2009 \$	2008 \$
Note 9. Intangible assets		
Franchise fee		
At cost	60,000	60,000
Less: accumulated amortisation	(48,000)	(36,000)
Goodwill (purchase of agency)	8,402	8,402
	20,402	32,402

Note 10. Deferred tax

Deferred tax		
- Opening balance	63,405	70,182
Future income tax benefits attributable to losses	-	-
Recoupment of prior year tax losses	(9,915)	(6,777)
Deferred tax on provisions	(2,153)	-
- Closing balance	51,337	63,405

Note 11. Trade and other payables

Trade creditors	10,346	6,949
Other creditors & accruals	4,800	4,500
	15,146	11,449

Note 12. Contributed equity

594,910 Ordinary shares fully paid of \$1 each (2008: 594,910)	594,910	594,910
Less: equity raising expenses	(36,553)	(36,553)
	558,357	558,357

Notes to the financial statements continued

Note 12. Contributed equity (continued)

Rights attached to shares

(a) Voting rights

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

On a show of hands or a poll, each shareholder 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 shareholder and has also been appointed as proxy for another shareholder) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a shareholder and one vote for each other shareholder that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each shareholder 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 shareholders of the community who have contributed to the establishment and ongoing operation of the **Community Bank®** branch have the same ability to influence the operation of the Company.

(b) Dividends

Generally, dividends are payable to shareholders 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 Ltd 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 2001.

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").

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.

Notes to the financial statements continued

Note 12. Contributed equity (continued)

Prohibited shareholding interest (continued)

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 shareholder has a prohibited shareholding interest, it must serve a notice requiring the shareholder (or the shareholder'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.

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

	2009 \$	2008 \$
Note 13. Accumulated losses		
Balance at the beginning of the financial year	(158,969)	(170,906)
Net profit from ordinary activities after income tax	26,268	11,936
Dividends paid	-	-
Balance at the end of the financial year	(132,702)	(158,969)

Note 14. Statement of cash flows

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

Profit from ordinary activities after income tax	26,268	11,936
Non cash items:		
- depreciation	7,218	7,303
- amortisation	12,000	12,000

Notes to the financial statements continued

	2009 \$	2008 \$
Note 14. Statement of cash flows (continued)		
Changes in assets and liabilities:		
- increase in receivables	(9,791)	(8,198)
- decrease in other assets	12,068	6,777
- increase in payables	3,698	2,430
Net cash flows provided by operating activities	51,461	32,248

Note 15. Auditors' remuneration

Amounts received or due and receivable by the Auditor of the Company for:

- audit & review services	4,500	4,000
- non audit services	2,713	150
	7,213	4,150

Note 16. Director and related party disclosures

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

Barry Maxwell Cail
Caroline FitzGerald James
Joseph Zurek
Keith Macpherson Chambers
Colin Bernard Stobaus
Ian Douglas Cordiner
Eleanor Louise Johnson Dempster
Gregory Ian Speirs
Bryan Rutherford Wearne (Appointed 21 April 2009)
Patrick Joseph Connally (Resigned 31 July 2009)
Gregory John Williams (Resigned 2 March 2009)

The Company has entered into an agreement with Mitbro Trust to lease the property at 2/119 High St. Heathcote for a five year period terminating on 25 August 2010. Director Joseph Zurek is a trustee of the Mitbro Trust. The contract was approved by the Board with Mr Zurek declaring a pecuniary interest and excluding himself from Board discussions and approval processes undertaken by the Board. Total payments made under this contract were \$20,593 (2008: \$19,674).

Notes to the financial statements continued

Note 16. Director and related party disclosures (continued)

The Company had entered into an agreement with Cherax Pty Ltd for Accounting Services for a two year period terminating on 30 June 2009. Former Director Gregory John Williams is a shareholder and Director of Cherax Pty Ltd. The contract is now finalised and payments made under this contract were \$Nil (2008: \$2,750).

No other Directors 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	2009	2008
Barry Maxwell Cail	2,001	2,001
Caroline FitzGerald James	500	500
Joseph Zurek	10,001	10,001
Keith Macpherson Chambers	1,001	1,001
Colin Bernard Stobaus	3,001	3,001
Ian Douglas Cordiner	6,001	6,001
Eleanor Louise Johnson Dempster	-	-
Gregory Ian Speirs	5,000	5,000
Bryan Rutherford Wearne (Appointed 21 April 2009)	-	-
Patrick Joseph Connally (Resigned 31 July 2009)	10,001	10,001
Gregory John Williams (Resigned 2 March 2009)	2,001	2,001

There was no movement in Directors' shareholdings during the year.

	2009	2008
	\$	\$

Note 17. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	26,268	11,936
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	2009	2008
	Number	Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	594,910	594,910

Notes to the financial statements continued

Note 18. 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 19. Contingent liabilities

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

Note 20. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank**[®] services pursuant to a franchise agreement with Bendigo and Adelaide Bank Ltd. The economic entity operates in the geographic area of Heathcote and Nagambie districts of Victoria.

Note 21. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
Shop 2, 119 High Street, Heathcote VIC 3523	Shop 2, 119 High Street, Heathcote VIC 3523

Note 22. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. 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 Statement of Financial Position 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.

Notes to the financial statements continued

Note 22. Financial instruments (continued)

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						
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
Financial assets													
Cash assets	39,223	62,677	-	-	-	-	-	-	-	1	41	0.5	0.5
Investments (1)	30,000	-	-	-	-	-	-	-	-	-	-	1.85	N/A
Investments (2)	-	-	192,852	173,988	-	-	-	-	-	-	-	6.55	6.6
Receivables	-	-	-	-	-	-	-	-	-	27,139	17,349	N/A	N/A
Financial liabilities													
Payables	-	-	-	-	-	-	-	-	-	15,146	11,449	N/A	N/A

Directors' declaration

In accordance with a resolution of the Directors of Heathcote & District Financial Services Limited, we state that:

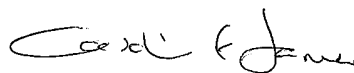
In the opinion of the Directors:

- (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 2009 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 AASB174 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Barry Maxwell Cail
Chairman



Caroline FitzGerald James
Director

Signed on 31 August 2009.

Independent audit report



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www.afsbendigo.com.au
ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Heathcote & District Financial Services Limited

We have audited the accompanying financial statements of Heathcote & District Financial Services Limited, which comprise the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, 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 designing, implementing and maintaining internal controls 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 the Accounting Standard AASB 101 Presentation of Financial Statements 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 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 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.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation

Independent audit report continued

Independence

In conducting our audit we have met 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 Heathcote & District Financial Services Limited is in accordance with the Corporations Act 2001 including
 - (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its financial performance and its cash flows for the year then ended and;
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and;
- 2) The financial statements and notes 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 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 Heathcote & District Financial Services Limited for the year ended 30 June 2009, complies with section 300A if the Corporations Act 2001.



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

Dated 31st day of August 2009

BSX report

Share information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 24 September 2009, which is within 6 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 to 1,000	212
1,001 to 5,000	83
5,001 to 10,000	24
10,001 to 100,000	1
100,001 and over	0
Total shareholders	320

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the Company.

There are no restricted securities on issue.

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

The following table shows the largest shareholders

Shareholder	Number of shares	Percentage of capital
Mr Richard Watson	20,000	3.36%
Compton Heights Pty Ltd (Super Fund A/C)	10,000	1.68%
Jasper Hill Vineyard Pty Ltd Super Fund A/C	10,000	1.68%
Mr Fj & Mrs Hf Granter (Granter Family Trust)	10,000	1.68%
Mrs Helena Ferrier Granter	10,000	1.68%
Mr Frederick James Granter	10,000	1.68%
Mrs Hazel Eastlake	10,000	1.68%
Height Insurance Pty Ltd (Super Fund A/C)	10,000	1.68%
Mr Colin Thomas Stephens	10,000	1.68%
Mr David Geoffrey Stephens	10,000	1.68%

BSX report continued

The following table shows the largest shareholders (continued)

Shareholder	Number of shares	Percentage of capital
Mr Rj & Mrs J Downing (Downing Estate Super A/C)	10,000	1.68%
Mr Cyril James Duff & Mrs Janice Helene Duff	10,000	1.68%
Connally's Real Estate & Stock Agency Pty Ltd	10,000	1.68%
Jm & D Barnes Pty Ltd (D W Barnes Super Fund A/C)	10,000	1.68%
Bms Retail Group Pty Ltd	10,000	1.68%
Mrs Deanhna & Mr David Culshaw	10,000	1.68%
Mr Ray Ingleby	10,000	1.68%
Ms Elizabeth Kate Secomb	10,000	1.68%
Derek Viner Pty Ltd	10,000	1.68%
The Gordon Sloan Super Fund	10,000	1.68%
Chrilyn Pty Ltd	10,000	1.68%
Mr Gary Scott (Belgair Superannuation Fund)	10,000	1.68%
	230,000	38.64%

Registered office and principal administrative office

The registered office of the Company is located at:

Shop 2, 119 High Street,
Heathcote VIC 3523
Phone: (03) 5433 3115

The principal administrative office of the Company is located at:

Shop 2, 119 High Street,
Heathcote VIC 3523
Phone: (03) 5433 3115

Security register

The security register (share register) is kept at:

AFS & Associates
61-65 Bull Street,
Bendigo VIC 3550

BSX report continued

Corporate governance

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

- (a) The establishment of an audit committee. Members of the audit committee are Joseph Zurek (Chair), Ian Cordiner and Caroline James;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

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.

Heathcote & District **Community Bank**[®] Branch
Shop 2, 119 High Street, Heathcote VIC 3523
Phone: (03) 5433 3115

Franchisee: Heathcote & District Financial Services Limited
Shop 2, 119 High Street, Heathcote VIC 3523
ABN: 44 112 376 986

www.bendigobank.com.au
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9053) (08/09)