

Heyfield & District Community Financial Services Limited

2009 Annual Report



Our Community – Our Strength



Vision Statement

Our vision is to promote the importance of community owned banking to the highest degree for our customers and deliver benefits to the community and shareholders.

Mission Statement

To develop our franchise to realise our community's potential.

Statement of Values

We value our community, and through philosophical relevance, will work with them to develop and improve the district.

We value access for our customers, and through our strong partnership with Bendigo Bank, will ensure a banking presence remains and expands in Heyfield and district.

We value our shareholders and will ensure their trust in us is rewarded.

We value accountability, so will deliver a transparent business on which to build.

We value our staff and will ensure they have the opportunity to develop to their full potential.

We value our relationship with Bendigo Bank, and together will work towards achieving our goals.

Chairman's Message

Dear Shareholders

The National **Community Bank**[®] Conference was held in Mandurah, Western Australia on 2 & 3 September with over 500 delegates from all over Australia attending, it was an outstanding success.

The inspirational CEO of Bendigo & Adelaide Bank, Rob Hunt retired and new CEO Mike Hurst, gave his outlook for the future. He was well received.

With over 240 **Community Banks**[®] throughout Australia and more in the pipeline (Heyfield was the 40th established). We wish Rob Hunt well and thank him for his Vision.

Your **Community Bank**[®] is pleased to announce your Board has decided to pay a 7 cents Fully Franked Dividend for the year 2009. With all the major banks cutting dividends, we are pleased to retain the dividend at the same rate as last year.

The Administration building at Centre Point in Temple Street has been fitted out and our P.A. Christine Thomas has taken a considerable load off our Company Directors and greatly improved the efficiency of our Board.

We ask all our Shareholders to notify us if they change their address and to give Bank Account Details (any bank) so their

dividend can be deposited. As you are aware, we are no longer listed on the Bendigo Stock Exchange but you can trade your Shares (BUY & SELL), if in doubt please contact us and we will help you with the Low Volume Market.

We thank all Shareholders for your support.

Thanks to the Directors for their continued support for our BANK. It is with regret that Mike Kube resigned due to work commitments, thanks Mike.

We welcome Anthony Donahoe to the Board of Directors.

To our staff Clare, Tamarah, Kerry, Jane, Tina and Christine I would like to thank them for their dedication and high standard of customer service they continually deliver to our customers.

To our partners at Bendigo and Adelaide Bank and our Regional Staff, we are proud to be able to work with you all.

We welcome our Shareholders to the 2009 Annual General Meeting on Thursday 29 October at the Heyfield Wetlands. We look forward to seeing you on the night.

Alan Broadbent OAM
Chairman
Heyfield & District Community Financial
Services Limited

Secretary's Report

This year has seen some significant administrative improvements to the company. I am pleased to report that the de-listing of the company from the stock exchange is completed and the Low Volume Share Trading market is now up and running. This will result in substantial saving in listing fees to the company and with the reduction of reporting obligations, our accounting and audit costs will also be reduced.

Although the company is now delisted we still have obligations to provide material information to shareholders and investors in a timely manner.

While we will continue to post out newsletters from time to time, the Board also intends to provide continuous disclosure by posting information on the company's website in accordance with good practice guidelines laid down by ASIC. Shareholders will also be able to receive annual reports, newsletters and other communications by e-mail if they so choose. Further details will be contained in the next newsletter.

During the year, Richmond Synnott & Delahunty took over the operation of our share registry from Computershare. We anticipate that this will also result in further savings for the company.

Our administration office and board room is now fully operational. We have come a long way since the Board held its meetings in the portable hut at the former Neville Smith timber mill in Weir Road.

I wish to thank Christine Thomas for all her work as Personal Assistant to the Board. Chris was given a very vague job description when she joined the company last year despite of which, she has succeeded in putting the company administration on a professional footing.

I am also very grateful to Martin Swanson for the hours of work that he put into the successful establishment of the Low Volume Share trading market.

Finally I thank my fellow board members for their service on the various Board sub-committees. As a result of the streamlining of the administration, the Board has recently been able to dispense with the mid-month early morning meeting and just meet once a month on the last Thursday.

The company is now well positioned to take advantage of opportunities that may arise over the coming year as we emerge from the economic downturn.

Keith Borthwick
Company Secretary

Board of Directors 2008 – 2009



Alan Broadbent OAM
Chairman



Keith Borthwick
Company Secretary



Martin Swanson
Vice Chair



David Graham
Treasurer



Sarah Bardsley
Director



David Wadey
Director



Anne Hellyer
Director



Eric Underwood
Director



Michèle Ripper
Director



Anthony Donahoe
Director

Manager's Report

It is with great pleasure that I submit my report to shareholders for the financial year ended 30 June 2009.

What an interesting year we have had with the major global economic crisis impacting on all financial institutions. I am proud to be in a position to say that our Branch has coped remarkably well and has continued to grow. Whilst not the growth rate we have seen in the past 2 years, we have still managed to grow and provide a much needed service to our community. For the year we recorded overall growth of \$2.6 million, achieving a total balance sheet position at 30 June 2009 of \$63.5 million.

We now have 3,397 accounts held by 1,934 customers these numbers continue to climb each year. Number of customer transactions processed in the branch remained steady with the average monthly number of transactions being 2,357. Despite the tough economic times we approved 111 loans. Our ATM continues to provide a valuable service to our community processing an average of 220 transactions per day.

Our branch remains committed to our community and we are seeing excellent outcomes achieved. Over \$78,000 for the year has been returned to Heyfield & District community in a variety of sponsorships, donations and grants, over \$296,000 has now been returned to the community in the last 4 years, which clearly demonstrates the success of the **Community Bank**[®] model.

Our success is a real team effort; I would like to give my thanks to my staff, Tamarah, Kerry, Jane, and Tina for their support and service to our customers. Thanks also to our Board Personal Assistant Chris Thomas for her invaluable help. To the Board of Heyfield & District Community Financial Services thank you for your dedication, enthusiasm and commitment.

Thank you to our customers and shareholders who remain our most valued asset and who continue to support the **Community Bank**[®] concept. With this continued support and commitment from all involved in our **Community Bank**[®] branch, we look forward positively to the year ahead confident our business will continue to grow for the benefit of our community.

Clare Adams
Branch Manager

Our Branch Team



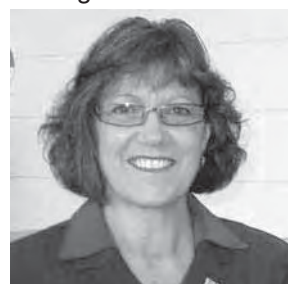
Clare Adams
Branch Manager



Tamarah Smith
Customer Relationship
Manager



Jane McInnes
Customer Service
Officer



Kerry Anderson
Customer Service
Officer



Tina McGill
Customer Service
Officer

Community

Heyfield Community Resource Centre Inc.

\$828.50 donated for a Bike Track for the Children. "With this funding from the Bendigo **Community Bank**® for the bike path the outside area has totally lifted the adventurous minds for our children. This has given us the incentive to paint inside, seek additional funding and now we have a bright inside area as well. The most important outcome has been that we are now fully booked out every term, but most importantly is watching the children have fun in a lot more ways and fully using their energies. So thanks to the Bendigo **Community Bank**® in Heyfield, our childcare is now a lot more sustainable and we can still provide this service to our community." Glenys McBride



GROWN Licola Rejuvenation Camp 2009.

This camp was run for drought affected families. Workshops were based around self development and family communication. Feedback from some of the participants was very positive with one family saying "It was the first time that they had been away for years". Another said "It was the first time she had seen her husband without a frown on his face". This camp was for Gippsland rural families and was held at beautiful Licola.



Maffra Secondary College

Grant for furniture for New Wing and Outdoor Area
Funding was given to support the school with purchasing new furniture for their newly built Middle School Wing. "The College is excited to hear the news of the grant from the **Heyfield Community Bank**®. The Middle Years Coordinator is thrilled to be now able to order the furniture and outdoor setting." Jenny Harris – Parents Club



Relay for Life Team

\$1,000 Donation to the "Heyfield 10" Relay for Life Team "We cannot thank you enough for the wonderful donation towards the Relay for Life fundraising effort and for supporting the Cancer Council of Victoria" Shirley Noble – Organiser



Wollangarra Safety Gear Bank

"We wish to thank you for your grant of \$2,000. With this contribution we are able to complete our Gear Bank which will mean that the young people will be able to further undertake great environmental work and practical conservation in the mountains and with our community. Such a grant shows community support for the young people. Once again Thank You." Jac Semmler – Co-ordinator



Nambrok– Denison Primary School

"Thank you for your generous sponsorship which enabled us to plan a terrific fete and supply fantastic children's entertainment. Many people attended and we were fortunate to have great weather, again this would not have been possible without your support." Jenny Dowsett – School Principal

Grants

**\$78,000
THIS YEAR**



Heyfield Hospital Nursing Scholarship.

The first scholarship awarded by the Heyfield & District **Community Bank® Branch** for a nurse at the Heyfield Hospital has been presented to Ms Cassie Marshall. Ms Marshall applied for and was awarded the inaugural \$10,000 scholarship, which will help her complete her Registered Nurse Division 1 studies, a task she is undertaking while raising two children and continuing to work at Heyfield Hospital in her capacity as a Division 2 nurse. "It is wonderful, it means a lot to me," she said. "Not only does it help me with the books and things that I need for my course but also helps with travel to Monash University at Churchill, where I study three days a week". Ms Marshall has lived in Heyfield for several years and intends continuing her work as a nurse at the Hospital once her studies are completed.

Cassie Marshall – Scholarship recipient



Maffra Junior Fire Brigade

Maffra Junior Fire Brigade sought funding to help them compete at the state championships in Western Australia. They approached the Heyfield & District **Community Bank®** for a donation. The Board agreed to donate \$2,000 to the fundraising fund. "Our Junior members are starting to get a smile on their faces as their dream is becoming a reality." Ron Pitt – Fire Captain



Seaspray Surf Lifesaving Club

The Heyfield & District **Community Bank®** was pleased to be able to donate funds towards the purchase of a rescue boat. "Inflatable rescue boats play a big role in water safety with quick response and being able to pick up more than one person at a time is vital to our job. Heyfield & District **Community Bank®** gave us a \$2,000 Grant and another Company pledged \$1000 initially and \$1,000 annually towards running costs so a big thanks to them for the much needed help." Graeme Mowbray – Lifeboat Captain



"East Gippsland TAFE's Board and Executive Team is very grateful for the support received from Heyfield & District **Community Bank®** for this year's 'Diversity Awards'. This event celebrates the outstanding achievements of many of our students and staff. We are very proud of our students and staff and it is always a pleasure to hear the real success stories behind our achievers. We believe that recognising and rewarding our outstanding students and staff, supports our community through building skilled people, Gippsland's workforce and stronger and more resilient communities, which we can all be proud of. Thank you again for your support."

Ms Angela Hutson, CEO, East Gippsland TAFE



1st Maffra Girl Guides

A request was received to help fund the Girl Guides to go to ACE 2010. "This is a rare opportunity for our girls to mix with guides and girl scouts from all over the world. This will help celebrate 100 years of Guiding around the world". Kim Coleman – Guide Leader



Gippsland Emergency Relief Fund

Due to the devastating bushfires that this State and especially our Region had to endure this year we made a \$2,000 donation to the Gippsland Emergency Relief Fund. Many fundraisers were organised throughout the Region to support the devastated communities. One of our Director's also helped organise a "Timeout Day" held at the Traralgon South Oval community. "On behalf of the GERF Committee I wish to thank the Heyfield & District **Community Bank®** for the wonderful donation of \$2,000. These funds will be a welcome boost to our fund raising efforts, and you can be assured that GERF will be quickly allocating these funds to the many Gippsland families so much in need of financial support after these devastating fires"

Mr John Mitchell, President, Gippsland Emergency Relief Fund

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2009

2008/09 will go down as one of the most tumultuous financial years in history. The global financial crisis and its aftermath wiped trillions of dollars off the world's net wealth. Some of the biggest names in international banking disappeared; many other banks – vastly bigger than Bendigo and Adelaide Bank Ltd – turned to governments to bail them out. Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

In short, we have seen the biggest financial meltdown since the Great Depression of nearly 80 years ago.

Amidst all that turmoil, though, our grassroots banking movement marched steadily on. Twenty new **Community Bank®** branches joined Bendigo and Adelaide Bank Ltd's national network. Around 120,000 new customers switched to the Bendigo style of banking. And 70 more communities continued their local campaign to open a **Community Bank®** branch.

Those statistics are impressive in themselves, but it is the story behind them that is really important.

That's the story of ordinary people – an awful phrase, but you know what I mean – who inherently understand that the role of a bank is to feed into prosperity, rather than profit from it. That lesson was forgotten by many bankers across the globe, with devastating consequences. But it is now well understood by the residents of 237 towns and suburbs that own their own **Community Bank®** branch, because every day they see the fruits of their investment in locally owned banking.

Again, the statistics are impressive enough – \$29 million paid out in community projects and nearly \$11 million in local shareholder dividends. But again, the real stories lie behind the numbers – new community centres and fire trucks, more local nurses, new walking tracks and swimming pools, safer young drivers, more trees and fewer wasteful incandescent globes, innovative water-saving projects... the list goes on.

And of course more money retained and spent locally. And more jobs. Fifteen hundred or so just in the branches alone. More because of the flow-on, or multiplier, effect of those wages being spent locally. And yet more because of the extra shopping now done in communities made more prosperous and active by having their own bank branch.

Community Bank® branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, they have received less income than in normal times. But also like Bendigo and Adelaide Bank Ltd, they have not needed anyone's help to get through this crisis. And every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities. For the better of all.



Russell Jenkins
Chief General Manager

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Directors Declaration

In accordance with a resolution of the directors of Heyfield & District Community Financial Services Limited, I 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 their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001; 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.



Alan Broadbent, Chairman

Signed at Heyfield, Victoria on 23 September 2009

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Directors' Report

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 are:

Mr Alan Broadbent
Chairman
Occupation: Retired

Mr Keith Borthwick
Secretary
Occupation: Solicitor

Mr David Graham
Director
Occupation: Business proprietor

Mr Martin Swanson
Director
Occupation: Business Proprietor

Mr Eric Underwood
Director
Occupation: Retired

Mr David Wadey
Director
Occupation: Real Estate Agent

Mrs Michele Ripper
Director
Occupation: Dance Instructor

Ms Sarah Bardsley
Director
Occupation: Manager Marketing & Communications

Mrs Anne Hellyer
Director
Occupation: Outreach Co-ordinator

Mr Donald Kube (resigned 29 October 2008)
Director
Occupation: School Camp Project Manager

Mr Anthony Donahoe (appointed 29 October 2008)
Director
Occupation: Admin/Project leader

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

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

Principal activities

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

There has 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 \$47,358 (2008: \$56,974).

Dividends	<u>Year Ended 30 June 2009</u>	
	Cents Per Share	\$
Dividends paid in the year	7	31,501

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Directors' Report

Significant changes in the state of affairs

The company recently delisted from the Bendigo Stock Exchange and are now operating under the ASIC Low Volume Market. In the opinion of the directors there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report.

Significant events after the balance date

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 providing banking services to the community.

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.

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.

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 Managers 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.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Directors' Report

Directors Meetings

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

Number of Meetings Held: 23

Number of Meetings Attended:

Mr Alan Broadbent	20
Mr David Graham	20
Mr Eric Underwood	16
Mrs Michele Ripper	13
Mrs Anne Hellyer	16
Mr Keith Borthwick	22
Mr Martin Swanson	21
Mr David Wadey	20
Ms Sarah Bardsley	16
Mr Donald Kube (resigned 29 October 2008)	2
Mr Anthony Donahoe (appointed 29 October 2008)	11

Company Secretary

Keith Borthwick has been the company secretary of Heyfield & District Community Financial Services Ltd for seven years. Keith Borthwick has been a legal practitioner for 32 years.

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 David Graham, Alan Broadbent and Martin Swanson;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Director meetings to discuss performance and strategic plans.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Directors' Report

Auditor Independence Declaration

The directors received the following declaration from the auditor of the company:

Richmond Sinnott & Delahunty
Chartered Accountants



172-176 McIvor Rd
PO Box 30
Bendigo. 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail:
rsd@rsdadvisors.com.au

Auditor's Independence Declaration

In relation to our audit of the financial report of Heyfield & District Community Financial Services Ltd for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty
23 September 2009

Signed in accordance with a resolution of the Board of Directors at Heyfield, Victoria on 23 September 2009.



Alan Broadbent, Chairman

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Income Statement
For the year ended 30 June 2009

	<u>Notes</u>	2009 \$	2008 \$
Revenue from ordinary activities	2	622,677	585,941
Employee benefits expense	3	(271,668)	(240,802)
Depreciation and amortisation expense	3	(24,227)	(16,585)
Charitable donations and sponsorship		(116,272)	(119,429)
Finance costs	3	(3,183)	-
Other expenses from ordinary activities		<u>(137,917)</u>	<u>(131,923)</u>
Profit before income tax expense		69,410	77,202
Income tax expense	4	<u>22,052</u>	<u>20,228</u>
Profit after income tax expense		<u><u>47,358</u></u>	<u><u>56,974</u></u>
Earnings per share (cents per share)			
- basic for profit for the year	23	10.52	12.66
- diluted for profit for the year	23	10.52	12.66
- dividends paid per share	22	7.00	6.00

The accompanying notes form part of these financial statements

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Balance Sheet
As at 30 June 2009

	<u>Notes</u>	2009 \$	2008 \$
Current Assets			
Cash assets	6	262,628	247,576
Prepayments		2,332	2,236
Receivables	7	53,203	52,515
Total Current Assets		<u>318,163</u>	<u>302,327</u>
Non-Current Assets			
Property, plant and equipment	8	340,747	244,234
Intangible assets	9	3,781	5,781
Total Non-Current Assets		<u>344,528</u>	<u>250,015</u>
Total Assets		<u>662,691</u>	<u>552,342</u>
Current Liabilities			
Payables	10	26,988	29,764
Current tax liability	4	11,155	11,668
Interest bearing liabilities	12	6,583	-
Provisions	11	22,812	12,121
Total Current Liabilities		<u>67,538</u>	<u>53,553</u>
Non-Current Liabilities			
Interest bearing liabilities	12	80,507	-
Total Non-Current Liabilities		<u>80,507</u>	<u>-</u>
Total Liabilities		<u>148,045</u>	<u>53,553</u>
Net Assets		<u>514,646</u>	<u>498,789</u>
Equity			
Share capital	13	450,009	450,009
Asset revaluation reserve	14	123,826	123,826
Accumulated losses	15	(59,189)	(75,046)
Total Equity		<u>514,646</u>	<u>498,789</u>

The accompanying notes form part of these financial statements

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Cash Flow Statement
For the year ended 30 June 2009

	<u>Notes</u>	2009 \$	2008 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		648,214	614,970
Cash payments in the course of operations		(564,221)	(553,265)
Interest received		19,958	8,690
Income tax paid		(22,565)	(6,160)
Borrowing costs		(3,183)	-
Net cash flows from operating activities	16b	<u>78,203</u>	<u>64,235</u>
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(118,740)	(13,240)
Net cash flows used in investing activities		<u>(118,740)</u>	<u>(13,240)</u>
Cash Flows From Financing Activities			
Proceeds from borrowings		87,090	-
Dividends paid		(31,501)	(27,001)
Net cash flows from / (used in) financing activities		<u>55,589</u>	<u>(27,001)</u>
Net increase / (decrease) in cash held		15,052	23,994
Add opening cash brought forward		247,576	223,582
Closing cash carried forward	16a	<u>262,628</u>	<u>247,576</u>

The accompanying notes form part of these financial statements

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Statement of Changes in Equity
As at 30 June 2009

	2009	2008
	\$	\$
SHARE CAPITAL		
<i>Ordinary shares</i>		
Balance at start of year	450,009	450,009
Issue of share capital	-	-
Share issue costs	<u>-</u>	<u>-</u>
Balance at end of year	<u><u>450,009</u></u>	<u><u>450,009</u></u>
 ASSET REVALUATION RESERVE		
Balance at start of year	123,826	-
Revaluation during the year	<u>-</u>	<u>123,826</u>
Balance at end of year	<u><u>123,826</u></u>	<u><u>123,826</u></u>
 RETAINED EARNINGS / (ACCUMULATED LOSSES)		
Balance at start of year	(75,046)	(105,019)
Profit after income tax expense	47,358	56,974
Dividends paid	<u>(31,501)</u>	<u>(27,001)</u>
Balance at end of year	<u><u>(59,189)</u></u>	<u><u>(75,046)</u></u>

The accompanying notes form part of these financial statements

Heyfield & District Community Financial Services Limited

ABN 96 094 854 949

**Notes to the Financial Statements
for the year ended 30 June 2009**

1. Basis of preparation of the Financial Report

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report was authorised for issue by the directors on 23 September 2009.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2008 financial statements.

Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Notes to the Financial Statements
for the year ended 30 June 2009

1. Basis of preparation of the Financial Report (continued)

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

<u>Class of fixed assets</u>	<u>Depreciation rate (%)</u>
Plant and equipment	10%
Buildings	2.5%
Furniture and fittings	10%

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

<u>Class of fixed assets</u>	<u>Depreciation rate (%)</u>
Motor vehicles	25%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater 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.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

During the 2008 financial year the directors unanimously agreed to bring to account land and buildings at a current market value of \$187,500 on the basis of an independent valuation prepared by Central Gippsland Valuations on 21 December 2007.

A revaluation surplus of \$123,826 was credited to the asset revaluation reserve included in the equity section of the balance sheet.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Notes to the Financial Statements
for the year ended 30 June 2009

1. Basis of preparation of the Financial Report (continued)

Revaluations (continued)

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve is made to retained earnings for the depreciation relating to the revaluation surplus.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

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 cash flow statement 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 operating cash flows.

Employee Benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

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

Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Notes to the Financial Statements
for the year ended 30 June 2009

1. Basis of preparation of the Financial Report (continued)

Comparative Figures

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

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Receivables and Payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. 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.

Interest Bearing Liabilities

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

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 Capital

Issued and paid up capital is 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.

2. Revenue from ordinary activities

	2009	2008
	\$	\$
Operating activities		
- services commissions	601,926	574,660
Total revenue from operating activities	<u>601,926</u>	<u>574,660</u>
Non-operating activities:		
- interest received	19,958	8,690
- other revenue	793	2,591
Total revenue from non-operating activities	<u>20,751</u>	<u>11,281</u>
Total revenue from ordinary activities	<u><u>622,677</u></u>	<u><u>585,941</u></u>

Heyfield & District Community Financial Services Limited

ABN 96 094 854 949

**Notes to the Financial Statements
for the year ended 30 June 2009**

3. Expenses

	2009	2008
	\$	\$
Employee benefits expense		
- wages and salaries	237,028	203,939
- superannuation costs	19,657	17,580
- workers' compensation costs	853	527
- other costs	14,130	18,756
	<u>271,668</u>	<u>240,802</u>
Depreciation of non-current assets:		
- plant and equipment	16,305	13,198
- leasehold improvements	5,922	1,382
Amortisation of non-current assets:		
- intangibles	2,000	2,005
	<u>24,227</u>	<u>16,585</u>
Finance costs:		
- borrowing costs	3,183	-

4. Income Tax Expense

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

Prima facie tax on profit before income tax at 30%	20,822	23,161
Add / (less) tax effect of:		
- Non-deductible / (other deductible) expenses	1,230	(1,863)
- Prior year overprovision of tax	-	(1,070)
<i>Current income tax expense</i>	<u>22,052</u>	<u>20,228</u>
Income tax expense	<u>22,052</u>	<u>20,228</u>
Tax liabilities		
Current tax payable	<u>11,155</u>	<u>11,668</u>

5. Auditors' Remuneration

Amounts received or due and receivable by Richmond, Sinnott & Delahunty for:

- Audit or review of the financial report of the company	3,650	3,650
- Share registry services	1,800	-
	<u>5,450</u>	<u>3,650</u>

Heyfield & District Community Financial Services Limited

ABN 96 094 854 949

**Notes to the Financial Statements
for the year ended 30 June 2009**

	2009	2008
	\$	\$
6. Cash Assets		
Cash at bank and on hand	38,496	3,318
Deposits at call	224,132	244,258
	<u>262,628</u>	<u>247,576</u>
7. Receivables		
Trade debtors	<u>53,203</u>	<u>52,515</u>
8. Property, Plant and Equipment		
<i>Land</i>		
Freehold land at cost	<u>17,500</u>	<u>17,500</u>
<i>Buildings & improvements</i>		
At cost	133,089	55,145
Revaluation #	123,826	123,826
Less accumulated depreciation	<u>(15,579)</u>	<u>(9,657)</u>
	<u>241,336</u>	<u>169,314</u>
<i>Plant and equipment</i>		
At cost	28,533	19,015
Less accumulated depreciation	<u>(7,388)</u>	<u>(4,844)</u>
	<u>21,145</u>	<u>14,171</u>
<i>Furniture & Fittings</i>		
At cost	124,535	119,435
Less accumulated depreciation	<u>(88,441)</u>	<u>(76,186)</u>
	<u>36,094</u>	<u>43,249</u>
<i>Motor vehicles</i>		
At cost	26,178	-
Less accumulated depreciation	<u>(1,506)</u>	<u>-</u>
	<u>24,672</u>	<u>-</u>
Total written down amount	<u>340,747</u>	<u>244,234</u>

Based on valuation (excluding land) by Central Gippsland Valuations - refer note 1 for more details.

Movements in carrying amounts

<i>Buildings & improvements</i>		
Carrying amount at beginning of year	169,314	46,870
Revaluation	-	123,826
Additions	77,944	-
Depreciation expense	<u>(5,922)</u>	<u>(1,382)</u>
Carrying amount at end of year	<u>241,336</u>	<u>169,314</u>
<i>Plant and equipment</i>		
Carrying amount at beginning of year	14,171	11,866
Additions	9,518	4,105
Depreciation expense	<u>(2,544)</u>	<u>(1,800)</u>
Carrying amount at end of year	<u>21,145</u>	<u>14,171</u>

Heyfield & District Community Financial Services Limited

ABN 96 094 854 949

**Notes to the Financial Statements
for the year ended 30 June 2009**

8. Property, Plant and Equipment (continued)

	2009	2008
	\$	\$
Movements in carrying amounts (continued)		
<i>Furniture & Fittings</i>		
Carrying amount at beginning of year	43,249	45,512
Additions	5,100	9,135
Less depreciation expense	(12,255)	(11,398)
Carrying amount at end of year	<u>36,094</u>	<u>43,249</u>
<i>Motor vehicles</i>		
Carrying amount at beginning of year	-	-
Additions	26,178	-
Less depreciation expense	(1,506)	-
Carrying amount at end of year	<u>24,672</u>	<u>-</u>

9. Intangible Assets

<i>Franchise Fee</i>		
At cost	60,000	60,000
Less accumulated amortisation	(56,219)	(54,219)
	<u>3,781</u>	<u>5,781</u>

10. Payables

Trade creditors	24,288	27,064
Accrued audit fee	2,700	2,700
	<u>26,988</u>	<u>29,764</u>

11. Provisions

Employee benefits	<u>22,812</u>	<u>12,121</u>
Number of employees at year end	<u>5</u>	<u>4</u>

12. Interest Bearing Liabilities

<i>Current</i>		
Chattel mortgage	<u>6,583</u>	<u>-</u>
<i>Non-current</i>		
Bank loan	60,000	-
Chattel mortgage	20,507	-
	<u>80,507</u>	<u>-</u>

13. Share Capital

Ordinary shares fully paid of \$1 each	<u>450,009</u>	<u>450,009</u>
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14. Asset Revaluation Reserve

Asset revaluation reserve #	<u>123,826</u>	<u>123,826</u>
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Based on valuation (excluding land) by Central Gippsland Valuations - refer note 1 for more details.

Heyfield & District Community Financial Services Limited

ABN 96 094 854 949

**Notes to the Financial Statements
for the year ended 30 June 2009**

15. Retained Earnings/(Accumulated Losses)	2009	2008
	\$	\$
Balance at the beginning of the financial year	(75,046)	(105,019)
Dividends paid	(31,501)	(27,001)
Profit after income tax	47,358	56,974
Balance at the end of the financial year	<u>(59,189)</u>	<u>(75,046)</u>

16. Cash Flow Statement

(a) Reconciliation of cash

Cash assets	38,496	3,318
Deposit at call	224,132	244,258
	<u>262,628</u>	<u>247,576</u>

**(b) Reconciliation of profit after tax to
net cash from/(used in) operating activities**

Profit after income tax	47,358	56,974
Non cash items		
- depreciation	22,227	14,580
- amortisation	2,000	2,005
Changes in assets and liabilities		
- (increase) decrease in receivables / prepayments	(784)	(8,303)
- increase (decrease) in payables	(2,776)	(10,761)
- increase (decrease) in provisions	10,691	(4,328)
- increase (decrease) in income tax payable	(513)	14,068
Net cashflows from operating activities	<u>78,203</u>	<u>64,235</u>

17. Director and Related Party Disclosures

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

Mr Alan Broadbent
 Mr David Graham
 Mr Eric Underwood
 Mrs Michele Ripper
 Mrs Anne Hellyer
 Mr Keith Borthwick
 Mr Martin Swanson
 Mr David Wadey
 Ms Sarah Bardsley
 Mr Donald Kube (resigned 29 October 2008)
 Mr Anthony Donahoe (appointed 29 October 2008)

No related party transaction occurred during the year.

No director's fees have been paid as the positions are held on a voluntary basis.

Heyfield & District Community Financial Services Limited
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Notes to the Financial Statements
for the year ended 30 June 2009

17. Director and Related Party Disclosures (continued)

Directors shareholdings	2009	2008
Mr Alan Broadbent	10,001	10,001
Mr David Graham	5,001	5,001
Mr Eric Underwood	10,000	10,000
Mrs Michele Ripper	1,000	1,000
Mrs Anne Hellyer	-	-
Mr Keith Borthwick	1,001	1,001
Mr Martin Swanson	5,000	5,000
Mr David Wadey	-	-
Ms Sarah Bardsley	10,000	10,000
Mr Donald Kube (resigned 29 October 2008)	4,000	4,000
Mr Anthony Donahoe (appointed 29 October 2008)	500	-

Other than the purchase of 500 shares by Anthony Donahoe there has been no other movement in directors shareholdings during the year. Each share held has a paid up value of \$1 and is fully paid.

18. Subsequent Events

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

19. Contingent Liabilities

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

20. Segment Reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Heyfield and district, Victoria.

21. Corporate Information

Heyfield & District Community Financial Services Ltd is a company limited by shares incorporated in Australia. The company recently delisted from the Bendigo Stock Exchange and are now operating under the ASIC Low Volume Market.

The registered office of the company is:

170 Johnson Street
Maffra Victoria 3860

The principal place of business is:

54-56 Temple Street
Heyfield Victoria 3858

Heyfield & District Community Financial Services Limited
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Notes to the Financial Statements
for the year ended 30 June 2009

22. Dividends paid or provided for on ordinary shares	2009	2008
	\$	\$
(a) Dividends paid during the year		
Franked dividends - 7 cents per share (2008: 6 cents)	31,501	27,001
(b) Dividends proposed and not recognised as a liability		
Franked dividends - 7 cents per share (2008: 7 cents)	31,501	31,501
(c) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year	28,409	19,344
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	11,155	11,668
	39,564	31,012

The tax rate at which dividends have been franked is 30% (2008: 30%).

23. Earnings per share

Basic earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Profit after income tax expense	47,358	56,974
Weighted average number of ordinary shares for basic and diluted earnings per share	450,009	450,009

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Notes to the Financial Statements
For the year ended 30 June 2009

24. Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables and cash assets.

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. The Company's maximum exposure to credit risk at reporting date was:

	<u>Carrying Amount</u>	
	2009	2008
	\$	\$
Cash assets	262,628	247,576
Receivables	53,203	52,515
	<u>315,831</u>	<u>300,091</u>

The Company's exposure to credit risk is limited to Australia by geographic area. The entire balance of receivables is due from Bendigo and Adelaide Bank Ltd.

None of the assets of the Company are past due (2008: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Notes to the Financial Statements
For the year ended 30 June 2009

24. Financial risk management (continued)

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	over 1 to 5 years \$	more than 5 years \$
30 June 2009					
Payables	26,988	(26,988)	(26,988)	-	-
Interest bearing liabilities	87,090	(100,661)	(12,714)	(87,947)	-
	<u>114,078</u>	<u>(127,649)</u>	<u>(39,702)</u>	<u>(87,947)</u>	<u>-</u>
30 June 2008					
Payables	29,764	(29,764)	(29,764)	-	-
Interest bearing liabilities	-	-	-	-	-
	<u>29,764</u>	<u>(29,764)</u>	<u>(29,764)</u>	<u>-</u>	<u>-</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest Rate Risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying Amount	
	2009	2008
	\$	\$
Fixed rate instruments		
Financial assets	224,132	244,258
Financial liabilities	27,090	-
	<u>251,222</u>	<u>244,258</u>
Variable rate instruments		
Financial assets	38,496	3,318
Financial liabilities	60,000	-
	<u>98,496</u>	<u>3,318</u>

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2008 there was also no impact. As at both dates this assumes all other variables remain constant.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Notes to the Financial Statements
For the year ended 30 June 2009

24. Financial risk management (continued)

(d) 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 year end.

(e) 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.



**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF HEYFIELD & DISTRICT COMMUNITY
FINANCIAL SERVICES LIMITED**

Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty
Brett A Andrews

SCOPE

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Heyfield & District Community Financial Services Limited, for the year ended 30 June 2009.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are established to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

INDEPENDENCE

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

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

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants



W. J. SINNOTT
Partner
Bendigo

Date: 23 September 2009

Notes

Notes

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Heyfield & District
Community Bank[®] Branch





Heyfield & District **Community Bank®** Branch

Heyfield & District Community Financial Services Limited

ABN 96 094 854 949

58-60 Temple Street, Heyfield 3858

Telephone 03 5148 2204

