annual report | 2009

Meander Valley Financial Services Limited

ABN 27 111 858 078

Deloraine & Districts **Community Bank®** Branch

Contents

Chairman’s report

For year ending 30 June 2009

After just under four years of operations in the Meander Valley Community, the continuing success of Deloraine & Districts **Community Bank®** Branch has proven that the **Community Bank®** model can be highly successful in a community where banking services are well established and very competitive. Our results this past year continue to be very encouraging. This good performance was despite the global financial crisis which threatened to engulf the world’s financial systems towards the end of 2008, and which is still causing substantial impacts in world and local economies, particularly on employment, business growth and confidence. All operators in the financial and business sectors in Australia experienced a dramatic decline in income and Meander Valley Financial Services Ltd was no exception. Our partners, Bendigo and Adelaide Bank Ltd, have weathered the stormy seas extremely well. Through Bendigo and Adelaide Bank Ltd leadership and our careful review of expenditure practices, the Board of Meander Valley Financial Services Ltd has been very successful in steering it’s way through the difficulties, the Company has continued to grow and has experienced a recovery in margin income in the last two months of the financial year.

During the year customer numbers increased by 15% to 1,849, account numbers grew by 16% to 2,803 and our bank footings by 28% to just on $54 million. We believe this result places us in an excellent position as the recovery begins to take effect.

The Board’s careful financial planning and review processes have enabled us to continue to support the community throughout the year. Beneficiaries of our sponsorships program have been our local schools, Women in Agriculture, local sports clubs, including Junior Soccer, Junior Basketball and the Deloraine Bowls Club, and our major sponsorship of the Deloraine Agricultural and Pastoral Society’s inaugural Meander Valley 8 Fun Run, in October 2008. The Fun Run was a very successful day and a first in what we are sure will become a permanent fixture in Tasmania’s annual sport and recreation calendar. In addition the Board approved a grant to assist a local traders group “Deloraine on the Move” and the Meander Valley Council with two tourist signs, soon to be erected on both ends of the town on the Bass Highway. Another major initiative of the Board saw the Company’s first expansion of its banking services by way of the installation of a 24-hour access ATM in the Mole Creek main street which has been very well received by local businesses and the community.

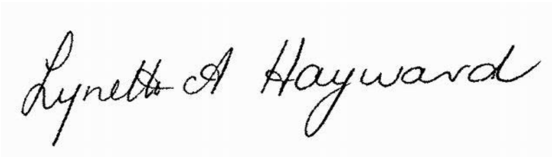
The Board has commenced a review of its strategic and business planning objectives which will be completed over the next few months and which will outline our future directions for the next three years. Our intention will be to follow up our first dividend to our shareholders at the earliest possible opportunity, while developing our ability to provide a more substantial distribution to the community through a structured grant round in the coming year. Our ability to achieve these goals depends entirely on the support the community gives to the bank.

I would like to thank our branch staff: Darren, Kelly, Kim, Kelly, Susan and Kim and our newest member, Judy, for their wonderful commitment and dedication to the service they provide to our customers and the community. We are very fortunate to have such warm, friendly and dedicated people as our branch staff.

Chairman's report continued

I would also like to acknowledge the dedication and commitment of the Meander Valley Financial Services Board, and to welcome our new Treasurer Jessica Leonard, and thank retiring Directors Drew Badcock, Nikki Atkins and John Dare, for their service to the Board.

Finally, I would like to thank all of our shareholders who continue to support us with their banking business. All of us on the Meander Valley Financial Services Board appreciate your interest and encouragement as we work hard to build the benefits Deloraine & Districts **Community Bank®** Branch provides for our community.



Lynn Hayward

Chairman

Manager's report

For year ending 30 June 2009

The last twelve months have certainly been the most challenging in my banking career. The global financial crisis has thrown the world economy some interesting questions going forward. It is incredibly heartening that in this environment our branch has continued to deliver great service and innovative products but also record significant growth and a second consecutive profit. Although this profit was modest, when viewed in the context of our operating environment, it does represent a very pleasing result.

I also believe that our shareholders, customers and community are entitled to have a renewed confidence in their **Community Bank®** branch, we have weathered the storm and have come out the other side stronger. In essence we are a bank that is owned by the community which services that community and who wants to be a significant investor in that community. The prosperity of our shareholders, our customers, our community and that of the bank are inextricably linked, we all need the support of each other to have the branch reach its full potential and return that potential in kind.

The next twelve months will provide new challenges as deposits will face pressure as people seek greater returns and to recoup losses in the stock market. Business confidence growth will lead to greater lending demand. I feel we are well placed for the next twelve months and we have invested heavily in our staff with training and skill development.

I would like to finish this report with 2 questions.

If you are shareholder and you don't bank with us, why not?

If you are existing customer and you have experienced the great products and service that we think your **Community Bank®** branch provides, have you told anyone about us or recommended us to anyone?

We would greatly appreciate your support to be the best Bank we can be.

Darren Rumble
Branch Manager

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

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:

Lynette Ann Hayward
Chairman
Age: 59
Community Volunteer
Management, Human Resource
Chair of Board, Staff Officer, Strategic

Laura Jane Richardson
Secretary
Age: 30
Client Service Officer
Rural Youth Affairs, Agriculture
Company Secretary, Governance/Audit, Strategy

Jessica Lea Leonard
Treasurer (Appointed 9 July 2009)
Age: 30
Bookkeeper
Customer Service
Treasurer

Christopher Philip Moorhouse
Director
Age: 57
Manager/Consultant
Community Development
Corporate Governance

Gordon Wayne Brookes
Director
Age: 50
Motelier
Business, Commercial Development
Strategic

Barbara Anne Harvey
Director
Age: 51
Manager
Business & Food Industry
Business Development, Governance/Audit

David Anthony Bounds
Director
Age: 52
Biological Agriculture Product Distributor
Community Service
Business Development & Sponsorship

Grant Anthony Ward
Director
Age: 52
Business Owner
Business Tourism, Food Industry
Business Development

Stephen Allen Blakeney
Director
Age: 66
Business Owner/Furniture Designer/Maker
Education, Fine Woodcraft
Business Development

Janice Marie English Blakeney
Director
Age: 62
Retired Business Owner
Retail Health
Public Relations, Business Development

Directors' report continued

Kenneth Leslie Philpott
Director (Appointed 4 August 2008)
Age: 69
Retired
Wool Industry
Strategy, OH&S Officer

Elizabeth Ann Nowell
Director (Appointed 6 April 2009)
Age: 60
Councillor
Human Resource
Strategy

Ronald Edgar John Dare
Director (Resigned 6 July 2009)

Andrew Lindon Badcock
Director (Resigned 1 June 2009)

George David Christie
Director (Resigned 10 November 2008)

Nicole Beverley Atkins
Director (Resigned 25 February 2009)

Virginia Maree De Groot
Director (Resigned 15 July 2008)

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

Company Secretary

The Company Secretary is Laura Richardson. Laura has been a Director of the Company since inception and has acted as assistant Secretary until elected to the role of Secretary effective from 30 June 2007. Laura has been involved in a number of community organisations in the Deloraine area including the Chudleigh Show and Deloraine Basketball Association, is a former state president of the Rural Youth Organisation of Tasmania and has been an executive memeber of the Agfest Field Days organising committee.

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 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:

Year ended 30 June 2009 $	Year ended 30 June 2008 $
18,621	15,936

Directors' report continued

Remuneration report

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

There are no employees who are directly accountable and have responsibility for the strategic direction and operational management of the entity.

There are therefore no specified Executives whose remuneration requires disclosure.

Dividends

	Year ended 30 June 2009	
	Cents	**$'000**
Final dividends recommended:	5	32

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 17 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
Lynette Ann Hayward	13	12
Laura Jane Richardson	13	10
Jessica Lea Leonard (Appointed 9 July 2009)	13	-
Christopher Phillip Moorhouse	13	12
Gordon Wayne Brookes	13	8
Barbara Anne Harvey	13	11
David Anthony Bounds	13	12
Grant Anthony Ward	13	12
Stephen Allen Blakeney	13	13
Janice Marie English Blakeney	13	13
Kenneth Leslie Philpott (Appointed 4 August 2008)	11	11
Elizabeth Ann Nowell (Appointed 6 April 2009)	2	2
Ronald Edgar John Dare (Resigned 6 July 2009)	10	4
Andrew Linton Badcock (Resigned 1 June 2009)	13	10
Nicole Beverley Atkins (Resigned 25 February 2009)	9	9
George David Christie (Resigned 10 November 2008)	6	5
Virginia Maree De Groot (Resigned 15 July 2008)	-	-

Directors' report continued

Non Audit services

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

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

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

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;
- none of the services undermine the general principles relating to Auditor independence as set out in 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 11.

Signed in accordance with a resolution of the Board of Directors at Deloraine, Tasmania on 7 September 2009.

Lynette A Hayward

Lynette Ann Hayward
Chairman

Laura Jane Richardson
Secretary

Auditor's independence declaration

AFS
partners in success
Chartered Accountants & Business Advisors

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Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 795 337

Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the directors of Meander Valley 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 this 7th day of September 2009

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Income statement
For year ending 30 June 2009

	Note	2009 $	2008 $
Revenues from ordinary activities	3	481,399	432,518
Salaries and employee benefits expense		(238,422)	(238,789)
Charitable donations, sponsorship, advertising & promotion		(15,223)	(4,832)
Occupancy and associated costs		(40,820)	(34,241)
Systems costs		(33,710)	(23,189)
Depreciation and amortisation expense	4	(24,031)	(24,211)
Borrowing cost expense	4	(3,089)	(3,555)
General administration expenses		(96,334)	(78,458)
Profit before income tax expense		**29,770**	**25,243**
Income tax expense	5	11,149	9,307
Profit for the period		**18,621**	**15,936**
Profit attributable to members of the entity		**18,621**	**15,936**

Earnings per share (cents per share)		**¢**	**¢**
- basic for profit for the year	19	2.9	2.5

The accompanying notes form part of these financial statements.

Balance sheet
As at 30 June 2009

	Note	2009 $	2008 $
Assets			
Current assets			
Cash assets	6	95,963	53,021
Trade and other receivables	7	24,013	17,615
Total current assets		**119,976**	**70,636**
Non-current assets			
Property, plant and equipment	8	195,550	202,586
Intangible assets	9	12,000	24,000
Deferred tax assets	10	10,447	21,596
Total non-current assets		**217,997**	**248,182**
Total assets		**337,973**	**318,818**
Liabilities			
Current liabilities			
Trade and other payables	11	12,407	8,122
Borrowings	12	6,840	6,840
Total current liabilities		**19,247**	**14,962**
Non-current liabilities			
Borrowings	12	26,024	29,775
Total non-current liabilities		**26,024**	**29,775**
Total liabilities		**45,271**	**44,737**
Net assets		**292,702**	**274,081**
Equity			
Contributed equity	13	618,894	618,894
Accumulated losses	14	(326,192)	(344,813)
Total equity		**292,702**	**274,081**

The accompanying notes form part of these financial statements.

Statement of cash flows
As at 30 June 2009

	Note	2009 $	2008 $
Cash flows from operating activities			
Receipts from customers		521,907	463,687
Payments to suppliers and employees		(468,870)	(414,424)
Interest received		1,740	311
Interest paid		(3,089)	(3,555)
Net cash inflow from operating activities	**15**	**51,688**	**46,019**
Cash flows from investing activities			
Payments for property, plant and equipment		(4,995)	-
Net cash outflow from investing activities		**(4,995)**	**-**
Cash flows from financing activities			
Repayment of borrowings		(3,751)	(3,284)
Net cash outflow from financing activities		**(3,751)**	**(3,284)**
Net increase in cash held		**42,942**	**42,735**
Cash at the beginning of the financial year		53,021	10,286
Cash at the end of the financial year	**6(a)**	**95,963**	**53,021**

The accompanying notes form part of these financial statements.

Statement of changes in equity
As at 30 June 2009

	Note	2009 $	2008 $
Total equity at the beginning of the period		274,081	258,145
Net profit for the period		18,621	15,936
Net income/expense recognised directly in equity		-	-
Total income and expense recognised by the entity for the year		**18,621**	**15,936**
Dividends provided for or paid		-	-
shares issued during period		-	-
Costs of issuing shares		-	-
Total equity at the end of the period		**292,702**	**274,081**

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/consolidated entity 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

Note 1. Summary of significant accounting policies (continued)

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.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 assets.

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 of 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.

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	466,247	420,495
- other revenue	851	178
Total revenue from operating activities	**467,098**	**420,673**
Non-operating activities:		
- interest received	1,764	433
- rental revenue	12,537	11,412
Total revenue from non-operating activities	**14,301**	**11,845**
Total revenues from ordinary activities	**481,399**	**432,518**

Note 4. Expenses

Depreciation of non-current assets:		
- plant and equipment	5,390	5,615
- leasehold improvements	6,641	6,596
Amortisation of non-current assets:		
- franchise agreement	12,000	12,000
	24,031	**24,211**
Finance costs:		
- interest paid	**3,089**	**3,555**
Bad debts	**440**	**121**

Note 5. Income tax expense

The components of tax expense comprise:		
- Current tax	-	-
- Deferred tax on provisions	1,404	-
- Recoupment of prior year tax losses	9,745	9,307
- Future income tax benefit attributable to losses	-	-
	11,149	**9,307**

	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:

	Note	2009 $	2008 $
Operating profit		18,621	15,936
Prima facie tax on profit from ordinary activities at 30%		5,586	4,781
Add tax effect of:			
- non-deductible expenses		3,944	3,600
- timing difference expenses		(978)	-
- blackhole expenses		(1,866)	(1,866)
- investment deduction		(285)	-
Current tax		9,745	9,307
Movement in deferred tax	10	1,404	-
		11,149	**9,307**
Income tax losses:			
Future income tax benefits arising form tax losses are not recognised at reporting date as realisation of the benefit is not regarded as virtually certain.			
Future income tax benefit carried forward is:		**83,125**	**83,125**

Note 6. Cash assets

	2009 $	2008 $
Cash at bank and on hand	36,963	53,021
Term deposits	59,000	-
	95,963	**53,021**

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

6(a) Reconciliation of cash

	2009 $	2008 $
Cash at bank and on hand	36,963	53,021
Term deposits	59,000	-
	95,963	**53,021**

Notes to the financial statements continued

	2009 $	2008 $

Note 7. Trade and other receivables

	2009 $	2008 $
Trade receivables	19,478	16,316
Prepayments	4,535	1,299
	24,013	**17,615**

Note 8. Property, plant and equipment

	2009 $	2008 $
Plant and equipment		
At cost	49,059	45,966
Less accumulated depreciation	(21,618)	(16,228)
	27,441	**29,738**
Leasehold improvements		
At cost	195,674	193,772
Less accumulated depreciation	(27,565)	(20,924)
	168,109	**172,848**
Total written down amount	**195,550**	**202,586**
Movements in carrying amounts:		
Plant and equipment		
Carrying amount at beginning	29,738	35,353
Additions	3,093	-
Disposals	-	-
Less: depreciation expense	(5,390)	(5,615)
Carrying amount at end	**27,441**	**29,738**
Leasehold improvements		
Carrying amount at beginning	172,848	179,444
Additions	1,902	-
Disposals	-	-
Less: depreciation expense	(6,641)	(6,596)
Carrying amount at end	**168,109**	**172,848**
Total written down amount	**195,550**	**202,586**

Notes to the financial statements continued

	2009 $	2008 $

Note 9. Intangible assets

	2009 $	2008 $
Franchise fee		
At cost	60,000	60,000
Less: accumulated amortisation	(48,000)	(36,000)
	12,000	**24,000**

Note 10. Deferred tax

	2009 $	2008 $
Deferred tax asset		
Opening balance	21,596	30,903
Deferred tax on prepayments/accrued income	(1,404)	-
Recoupment of prior year tax losses	(9,745)	(9,307)
Closing balance	**10,447**	**21,596**

Note 11. Trade and other payables

	2009 $	2008 $
Trade creditors	9,107	5,122
Other creditors & accruals	3,300	3,000
	12,407	**8,122**

Note 12. Borrowings

	2009 $	2008 $
Current:		
Interest bearing liability	**6,840**	**6,840**
Non-current:		
Interest bearing liability	**26,024**	**29,775**

The Company has a personal loan from Berwyn Huett, the landlord of the Branch premises, to pay for part of the original branch fit out. The loan is repayable over 120 months (last payment in July 2015) at $570.00 per month. The interest rate is fixed at 9.06%.

Notes to the financial statements continued

	2009 $	2008 $
Note 13. Contributed equity		
650,000 Ordinary shares fully paid of $1 each (2008: 650,000)	650,000	650,000
Less: equity raising expenses	(31,106)	(31,106)
	618,894	**618,894**

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.

Note 13. Contributed equity (continued)

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the Company (the “10% limit”).
- In the opinion of the Board they do not have a close connection to the community or communities in which the Company predominantly carries on business (the “close connection test”).
- Where the person is a shareholder, after the transfer of shares in the Company to that person the number of shareholders in the Company is (or would be) lower than the base number (the “base number test”). The base number is 316. As at the date of this report, the Company had 349 shareholders.

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

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

The Board has the power to request information from a person who has (or is suspected by the Board of having) a legal or beneficial interest in any shares in the Company or any voting power in the Company, for the purpose of determining whether a person has a prohibited shareholding interest. If the Board becomes aware that a 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.

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

In the Constitution, 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 14. Accumulated losses

	2009 $	2008 $
Balance at the beginning of the financial year	(344,812)	(360,748)
Net profit from ordinary activities after income tax	18,621	15,936
Dividends paid	-	-
Balance at the end of the financial year	**(326,192)**	**(344,812)**

Note 15. Statement of cash flows

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

	2009 $	2008 $
Profit from ordinary activities after income tax	18,621	15,936
Non cash items:		
- depreciation	12,031	12,211
- amortisation	12,000	12,000
Changes in assets and liabilities:		
- increase in receivables	(6,398)	(1,389)
- decrease in other assets	11,149	9,307
- increase/(decrease) in payables	4,285	(2,046)
Net cash flows provided by operating activities	**51,688**	**46,019**

Note 16. Auditors' remuneration

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

	2009 $	2008 $
- audit & review services	4,500	4,000
- non audit services	4,229	3,128
	8,729	**7,128**

Notes to the financial statements continued

Note17. Director and related party disclosures

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

Lynette Ann Hayward

Laura Jane Richardson

Jessica Lea Leonard (Appointed 9 July 2009)

Christopher Phillip Moorhouse

Gordon Wayne Brookes

Barbara Anne Harvey

David Anthony Bounds

Grant Anthony Ward

Stephen Allen Blakeney

Janice Marie English Blakeney

Kenneth Leslie Philpott (Appointed 4 August 2008)

Elizabeth Ann Nowell (Appointed 6 April 2009)

Ronald Edgar John Dare (Resigned 6 July 2009)

Andrew Linton Badcock (Resigned 1 June 2009)

Nicole Beverley Atkins (Resigned 25 February 2009)

George David Christie (Resigned 10 November 2008)

Virginia Maree De Groot (Resigned 15 July 2008)

Directors Barbara Harvey and Grant Ward jointly provided catering services to the Company during the year to the value of $901.54 (2008: $1,513.00).

Director Ronald Edgar John Dare a principal of Andrew Dare Electrical Service provided specialist electrical work to the Company during the year to the value of $344.40 (2008: $75.25).

Director/Treasuer Jess Leonard provides bookkeeping services to the Company and during the year she provided services to the value of $320.00 (2008: $Nil).

No other Director or related entity has entered into a material contract with the Company. No Directors' fees have been paid as the positions are held on a voluntary basis.

Note17. Director and related party disclosures (continued)

Directors' shareholdings	**2009**	**2008**
Lynette Ann Hayward	3,001	3,001
Laura Jane Richardson	501	501
Jessica Lea Leonard (Appointed 9 July 2009)	-	-
Christopher Phillip Moorhouse	3,001	3,001
Gordon Wayne Brookes	2,701	2,701
Barbara Anne Harvey #	4,002	4,002
David Anthony Bounds	5,001	5,001
Grant Anthony Ward #	4,002	4,002
Stephen Allen Blakeney *	15,002	15,002
Janice Marie English Blakeney *	15,002	15,002
Kenneth Leslie Philpott (Appointed 4 August 2008)	2,000	2,000
Elizabeth Ann Nowell (Appointed 6 April 2009)	-	-
Ronald Edgar John Dare (Resigned 6 July 2009)	5,000	5,000
Andrew Linton Badcock (Resigned 1 June 2009)	1,001	1,001
Nicole Beverley Atkins (Resigned 25 February 2009)	-	-
George David Christie (Resigned 10 November 2008)	501	501
Virginia Maree De Groot (Resigned 15 July 2008)	501	501

* - Stephen Blakeney owns 10,001 and Janice Blakeney owns 5,001 shares.

- Barbara Harvey and Grant Ward jointly own 4,002 shares.

There was no movement in Directors' shareholdings during the year. Each share held is valued at $1.

Note 18. Key management personnel disclosures

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

There are no Executives within the Company whose remuneration is required to be disclosed.

Notes to the financial statements continued

	2009 $	2008 $
Note 19. Earnings per share		
(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	18,621	15,936

	2009 Number	2008 Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	650,000	650,000

Note 20. 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 21. Contingent liabilities

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

Note 22. 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 one geographic area being the Meander Valley District of Tasmania.

Note 23. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
49 Emu Bay Road,	49 Emu Bay Road ,
Deloraine TAS 7304	Deloraine TAS 7304

Note 24. 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.

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	32,243	25,804	-	-	-	-	-	-	-	-	0.05	0.05
Cash management	4,720	27,217	-	-	-	-	-	-	-	-	1.85	5.45
Term deposit	59,000	-	-	-	-	-	-	-	-	-	4	N/A
Receivables	-	-	-	-	-	-	-	-	24,013	17,615	N/A	N/A
Financial liabilities												
Interest bearing liabilities	-	-	6,840	6,840	26,024	29,775	-	-	-	-	9.06	9.06
Payables	-	-	-	-	-	-	-	-	12,407	8,122	N/A	N/A

Directors’ declaration

In accordance with a resolution of the Directors of Meander Valley 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.

Lynette A Hayward

Lynette Ann Hayward
Chairman

Laura Jane Richardson
Secretary

Signed on 7 September 2009.

Independent audit report

Chartered Accountants & Business Advisors

PO Box 454
Bendigo VIC 3552
61-65 Bull Street
Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
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ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Meander Valley Financial Services Limited

We have audited the accompanying financial statements of Meander Valley 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.

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 Meander Valley 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 Meander Valley 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 this day 7th of September 2009

BSX report

Share information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 12 October 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	227
1,001 to 5,000	99
5,001 to 10,000	18
10,001 to 100,000	5
100,001 and over	0
Total shareholders	**349**

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 21 shareholders holding less than a marketable parcel of shares ($500 in value).

There are no restricted securities on issue.

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

BSX report continued

The following table shows the 10 largest shareholders.

Shareholder	Number of shares	Percentage of capital
Barry Dean Hickman as Trustee for <Meander Valley Online A/C>	20,000	3.08
Nigel & Jo-Anne Burfitt	20,000	3.08
Helen Phillida Smith	10,500	1.62
Henry Brian Smith	10,500	1.62
Stephen A Blakeney	10,001	1.54
Darrel J Green Pty Ltd	10,000	1.54
Eileen Joy Belkner	10,000	1.54
Fiona Kelly	10,000	1.54
Janice Marie Linton	10,000	1.54
Jeffrey James Booker	10,000	1.54
	121,001	**18.62**

Registered office and principal administrative office

The registered office of the Company is located at:
49 Emu Bay Road,
Deloraine TAS 7304
Phone: (03) 6362 4152

The principal administrative office of the Company is located at:
49 Emu Bay Road,
Deloraine TAS 7304
Phone: (03) 6362 4152

Security register

The security register (share register) is kept at:
Ricmond Sinnott & Delahunty Pty Ltd
Woodbury Court,
172-176 McIvor Road,
Bendigo VIC 3552
Phone: (03) 5443 1177

Company Secretary

The Company Secretary is Laura Jane Richardson.

Corporate governance

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

(a) The establishment of an audit committee.

(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.

Deloraine & Districts **Community Bank**® Branch
49 Emu Bay Road, Deloraine TAS 7304
Phone: (03) 6362 4801

Franchisee: Meander Valley Financial Services Limited
49 Emu Bay Road, Deloraine TAS 7304
Phone: (03) 6362 4152
ABN: 27 111 858 078

www.bendigobank.com.au
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9001) (06/09)

Bendigo Bank