annual report | 2009

Tuggeranong Valley Financial Services Limited

ABN 77 100 097 443

Calwell and Wanniassa

Community Bank® branches of Bendigo Bank

Contents

Chairman’s report

For year ending 30 June 2009

I am pleased to be able to present the seventh Annual Report for the Company for the year ended 30 June 2009. Our Company continues to build on previous profitable years and we have generated more substantial income from our trading activities.

I am pleased to report that our **Community Bank®** branch continues to grow. Whilst many other financial institutions have experienced downturns in business levels, we have continued to show growth in the number of new accounts and in the number of loan applications, which we believe to be an excellent result.

Last year we paid a lower dividend than may have been expected, due to concerns about the international economic situation but having weathered the storm we expect to be able to announce a much higher dividend. This will be announced shortly once our full financial report is completed.

During the year we reviewed our strategic plan and have included the aim of opening several new outlets over the next two years, this could include a branch, a sub branch or an ATM. We are currently working with the Jerrabomberra community and Bendigo and Adelaide Bank Ltd to determine the feasibility of opening a new branch at Jerrabomberra. We have also investigated opportunities in Weston Creek and the Woden area for branches or ATMs.

We have also continued to identify new skills required at the corporate level and as a result have expanded the membership of our Board. Our new Directors are Dr Nadine White, a human resources Manager at The Australian National University, with extensive experience in workforce management, organizational change and governance issues and Mr Richard Rolfe, the dealer principal at the Canberra Audi Centre with a wide range of involvement with community, service and sporting organizations involving fundraising and sponsorship. They have already contributed strongly to our strategic direction and, with our current Board members, I believe we have the team necessary to effectively build the business and deal with the challenges that will present themselves in the coming years. We are also asking you to approve the expansion of the Board to twelve members to accommodate input from members of the Jerrabomberra community.

As part of the on going review of our business model we sought advice on remuneration for Directors and, based on this advice, we are making a recommendation to shareholders for an increase in Directors fees.

I thank all Board members for their time and effort during the last twelve months and also thank Mili Vujic, our Company Secretary and Executive Manager to the Board, for her contributions and support.

Chairman's report continued

Most importantly, we are again very pleased to be able to continue a program of returning profits to our community by way of Community Contributions. These investments in our community have included:

- Oz Harvest
- Autism Aspergers Association
- RSPCA
- Tandem
- Kulture Break

As well as these major projects we also continue to fund a number of other smaller community projects such as several local schools and charities.

Importantly, I would like to acknowledge the work of Ray Haley, our founding Branch Manager. Ray has decided to move onwards and upwards with Bendigo and Adelaide Bank Ltd and I would like to acknowledge the contribution of Ray to our Business. Ray has grown the business from a time when we did not have any banks or customers to a situation where we have over $130 million worth of footings and two profitable branches with highly skilled staff.

I would also like to welcome our new Branch Managers, Deb McLennan and Toby Mahoney, and wish them the best as they continue to grow our business and service the needs of our community. I would also like to acknowledge the support from Bendigo and Adelaide Bank Ltd and in particular the staff of the local administrative office and the new Regional Manager Dion Christie.

Finally, I would like to thank all staff at both the Calwell and Wanniassa **Community Bank®** branches for their dedication and their ongoing commitment and contributions that have been made throughout the year. There is no doubt that our staff, and their hard work, are the basis of our achievements and I look forward to another successful and exciting year ahead.

Peter Strong
Chairman

Manager's report

For year ending 30 June 2009

The **Community Bank®** branches at Calwell and Wanniassa have had another outstanding financial year.

The Company has recorded a NPBT of $276,852 after sponsorships and grants to local community organisations of in excess of $100,000. This is an increase in NPBT of over $150,000 from previous financial year.

Funds under management has also shown a significant increase from the previous year - $118 million in 2008 and $134 million in 2009. This equates to an increase of $16 million, or 13.6%, and exceeded budget set by the Board by $4 million, or 33%.

Major increases were in the deposit and home loan products.

Staffing

Staffing levels were constant for the year, with stability evident. We had three staff leave:

Warwick Hotchkis	Customer Service Manager	Resigned
Chris Evans	Customer Relationship Officer	Transferred Canberra
Naomi Dinning	Customer Service Officer (P/T)	Resigned

New staff joining the branch were:

Amy Preston	Customer Service Officer
Geraldine McQuillan	Customer Service Officer
Andrew Clarke	Manager Wanniassa (since resigned)

Major staff changes:

Tristina Ryan	Customer Relationship Officer	(Upgraded to replace Chris)

More changes are currently in the pipeline, to react to the forever changing requirements of the Company at ground level.

Achievements

Snapshot of major developments/achievements throughout the year:

- Collective agreement signed by all graded staff
- Company strategic plan developed and continually updated
- Growth of business with initial steps into Jerrabomberra
- New Directors appointed
- Strong financial performance

Manager's report continued

- Dividends paid to shareholders
- Renewed staff interaction with the Board

Overall the year just gone has been a great success for the Company. I am sure that this will continue into the new financial year, and the Company will go from strength to strength.

This is my seventh Manager's report to our shareholders and also my last. It is with sadness that I advise I have left the employ of the Company.

I have seen this business grow from basically empty shells at Calwell and Wanniasa Shopping Centres, to branches that are highly profitable enterprises. The staff that we have employed over the years, and especially the current staff, are the major reason behind the resounding success of opening up two **Community Bank®** branches in the heart of the ACT.

A big thank you to the shareholders who have allowed me the honour of managing the daily operations of the branches, and being the Company representative at branch level.

Ray Haley
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:

Peter James Strong
Chairman
Age: 55
Occupation: Business Consultant

Jayson Richard Hinder
Deputy Chairman
Age: 44
Occupation: Solicitor and Barrister

Nicholas Kalogeropoulos
Treasurer
Age: 35
Occupation: Public Servant

Ronald Alfred Kingsbury
Director
Age: 80
Occupation: Retired

Maria Grazia Porreca
Director
Age: 58
Occupation: Company Director

Lance Prior
Director
Age: 38
Occupation: Club Manager

Alan Hodges
Director
Age: 69
Occupation: Consultant

George William Kelly
Director
Age: 77
Occupation: Real Estate Agent

Nadine Lee White
Director (Appointed 4 May 2009)
Age: 37
Occupation: Human Resources Manager

Richard John Rolfe
Director (Appointed 1 June 2009)
Age: 46
Occupation: Motor Dealer

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

No Directors have material interests in contracts or proposed contracts with the Company, other than those outlined under Note 21 of this report.

Company Secretary

The Company Secretary is Milica Vujic. Mili is the Company's Administration Officer and was appointed to the position of Company Secretary on 17 December 2007. Mili has 17 years of administration experience for legal firms.

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 $
230,573	126,816

Remuneration report

In setting the remuneration policy of Tuggeranong Valley Financial Services Limited, the Board recognises the Company has been formed to govern the **Community Bank®** branch as it returns banking services to the community, provides contributions to community projects and the shareholders who contributed the capital.

The legal and moral obligations of the Board are onerous, as is the time contributed by the Board on the ongoing governance of the Company. In recognition of this, the Board may be remunerated for its efforts, at the Board's discretion. As the organisation matures and the demands on the time of the Directors increase, the prospect becomes more likely and appropriate.

The remuneration will be subject to the following:

- Consultation with shareholders prior to a recommendation being made by the Board.
- The amount payable to Directors being ratified by shareholders at the Annual General meeting.
- Directors' remuneration is made in line with the philosophies of the **Community Bank®** concept.

The remuneration for the Business Development Manager is arrived at after consultation with Bendigo and Adelaide Bank Ltd and is set in line with the employee's peers in the bank network. At this stage performance payments are not a part of the remuneration package, however the use of this form of remuneration may be considered in the future.

Remuneration report (continued)

The remuneration for each Director and each of the executive Officers of the Company during the financial year was as follows:

	Salary, fees & commissions $	Superannuation contributions $	Cash bonus $	Non-cash benefits $	Total $
Directors					
P Strong	750	–	–	340	1,090
J Hinder	750	–	–	340	1,090
N Kalogeropoulos	750	–	–	340	1,090
R Kingsbury	750	–	–	340	1,090
M Porreca	750	–	–	340	1,090
L Prior	750	–	–	340	1,090
A Hodges	750	–	–	340	1,090
G Kelly	750	–	–	340	1,090
N White	119	–	–	340	459
R Rolfe	62	–	–	340	402
	6,180	–	–	3,401	9,581
Specified Executives					
R Haley	96,274	7,730	–	340	104,344
	96,274	7,730	–	340	104,344

Employment contracts of Directors and Senior Executives

During the financial year, payments totalling $6,187 were made to Meyer Vandenberg Lawyers, a firm that Jayson Hinder is a partner, for legal services to the Company.

The employment conditions of the Business Development Manager, Raymond Haley, are formalised in a contract of employment and he is a permanent employee of the Company. The contract has no specific duration. The contract specifies a notice period in accordance with the Workplace Relations Act 1996. Termination payments are also in terms of the same Act.

Directors' report continued

Dividends

	Year ended 30 June 2009	
	Cents	**$'000**
Dividends paid in the year:		
- Final dividends for the year	5	50,400

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

Since the end of the financial year the Directors' moved to have a feasibility study performed to determine the viability of opening a third branch in Jerrabomberra. This may affect the operations of the Company and the results of those operations or 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 21 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.

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' report continued

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
Peter James Strong	11	9
Jayson Richard Hinder	11	10
Nicholas Kalogeropoulos	11	9
Ronald Alfred Kingsbury	11	11
Maria Grazia Porreca	11	8
Lance Prior	11	10
Alan Hodges	11	10
George William Kelly	11	9
Nadine Lee White (Appointed 4 May 2009)	2	2
Richard John Rolfe (Appointed 1 June 2009)	1	1

Non Audit services

The Company may decide to employ the Auditor on assignments additional to their statutory duties where the Auditor's expertise and experience with the Company 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.

Directors' report continued

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 13.

Signed in accordance with a resolution of the Board of Directors at Calwell, Australian Capital Territory on 25 September 2009.

Peter James Strong
Chairman

Nadine Lee White
Director

Auditor's independence declaration

AFS
partners in success
Chartered Accountants & Business Advisors

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Auditor's Independence Declaration

As lead Auditor for the audit of Tuggeranong Valley Financial Services Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the Auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tuggeranong Valley Financial Services Limited.

David Hutchings
Auditor Partner

Andrew Frewin & Stewart

Bendigo

Financial statements

Income statement
For year ending 30 June 2009

	Note	2009 $	2008 $
Revenues from ordinary activities	3	1,490,776	1,340,120
Salaries and employee benefits expense		(653,891)	(727,714)
Charitable donations, sponsorship, advertising & promotion		(115,721)	(54,593)
Occupancy and associated costs		(139,834)	(121,070)
Systems costs		(45,250)	(44,710)
Depreciation and amortisation expense	4	(53,085)	(46,483)
Finance costs	4	(2,943)	(1,893)
General administration expenses		(203,200)	(216,841)
Profit before income tax expense		**276,852**	**126,816**
Income tax expense	5	(46,279)	-
Profit for the period		**230,573**	**126,816**
Profit attributable to members of the entity		**230,573**	**126,816**
Earnings per share (cents per share)		**¢**	**¢**
- basic for profit for the year	22	22.87	12.58
- dividends paid per share	20	5	4.5

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	542,070	397,651
Trade and other receivables	7	139,425	106,214
Total current assets		**681,495**	**503,865**
Non-current assets			
Property, plant and equipment	8	252,504	256,373
Intangible assets	9	70,000	90,000
Deferred tax assets	10	18,030	-
Total non-current assets		**340,534**	**346,373**
Total assets		**1,022,029**	**850,238**
Liabilities			
Current liabilities			
Trade and other payables	11	51,556	82,145
Current tax liabilities	5	40,398	-
Borrowings	12	7,946	8,550
Provisions	13	38,266	48,872
Total current liabilities		**138,166**	**139,567**
Non-current liabilities			
Trade and other payables	11	21,024	24,024
Borrowings	12	26,782	31,710
Provisions	14	24,646	23,698
Total non-current liabilities		**72,452**	**79,432**
Total liabilities		**210,619**	**218,999**
Net assets		**811,411**	**631,239**
Equity			
Issued capital	15	1,008,007	1,008,007
Accumulated losses	16	(196,596)	(376,768)
Total equity		**811,411**	**631,239**

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		1,572,138	1,337,926
Payments to suppliers and employees		(1,347,816)	(1,148,446)
Interest received		25,803	13,869
Interest paid		(2,943)	-
Income taxes paid		(17,614)	-
Net cash provided by operating activities	**17**	**229,568**	**203,349**
Cash flows from investing activities			
Payments for property, plant and equipment		(29,217)	(37,870)
Payments for intangible assets		-	(100,000)
Net cash used in investing activities		**(29,217)**	**(137,870)**
Cash flows from financing activities			
Proceeds from borrowings		-	40,259
Repayment of borrowings		(5,532)	-
Dividends paid		(50,400)	(45,360)
Net cash used in financing activities		**(55,932)**	**(5,101)**
Net increase in cash held		**144,419**	**60,378**
Cash at the beginning of the financial year		397,651	337,273
Cash at the end of the financial year	**6(a)**	**542,070**	**397,651**

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		631,239	549,784
Net profit for the period		230,573	126,816
Net income/expense recognised directly in equity		-	-
Total income and expense recognised by the entity for the year		**230,573**	**126,816**
Dividends provided for or paid		(50,400)	(45,360)
shares issued during period		-	-
Costs of issuing shares		-	-
Total equity at the end of the period		**811,411**	**631,239**

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.

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.

During the year the Company, upon advice from its tax advisors, has reclassified payments made to Bendigo and Adelaide Bank Ltd in relation to the renewal costs of the franchise fee in the financial year ended 30 June 2008, from recognition as a prepayment to classification as an intangible. The franchise fee renewal costs will also be amortised over the life of the 5 year franchise agreement.

		2008	
	Previously stated $	**Adjustment $**	**Restated $**
Income statement			
Depreciation and amortisation expense	(38,483)	(8,000)	(46,483)
General administrative expense	(224,841)	8,000	(216,841)
Profit before income tax	126,816	-	126,816
Income tax	-	-	-
Profit after income tax	**126,816**	**-**	**126,816**
Balance sheet			
Receivables	178,214	(72,000)	106,214
Intangibles	18,000	72,000	90,000
Accumulated losses	**(376,768)**	**-**	**(376,768)**

Note 1. Summary of significant accounting policies (continued)

Intangibles (continued)

	2008		
	Previously stated $	Adjustment $	Restated $
Statement of cash flows			
Cash flows from operating activities			
Payments to suppliers and employees	(1,228,446)	80,000	(1,148,446)
Net cash provided by operating activities	**123,349**	**80,000**	**203,349**
Cash flows from investing activities			
Payments for intangible assets	(20,000)	(80,000)	(100,000)
Net used in investing activities	**(57,870)**	**(80,000)**	**(137,870)**

Cash

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

Comparative figures

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

Property, plant and equipment

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

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

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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

<u>Recognition and initial measurement</u>

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.

<u>Derecognition</u>

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Held-to-maturity investments

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

(iii) Financial liabilities

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

Impairment

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

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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

Note 3. Revenue from ordinary activities

	2009 $	2008 $
Operating activities:		
- services commissions	1,448,473	1,319,940
- other revenue	20,000	-
Total revenue from operating activities	**1,468,473**	**1,319,940**
Non-operating activities:		
- interest received	22,303	20,180
Total revenue from non-operating activities	**22,303**	**20,180**
Total revenues from ordinary activities	**1,490,776**	**1,340,120**

Note 4. Expenses

	2009 $	2008 $
Depreciation of non-current assets:		
- plant and equipment	24,444	23,583
- leasehold improvements	8,641	8,352
Amortisation of non-current assets:		
- franchise agreement	4,000	6,548
- franchise renewal fee	16,000	8,000
	53,085	**46,483**
Finance costs:		
- interest paid	**2,943**	**1,893**
Bad debts	**4,307**	**8,676**

Note 5. Income tax expense

	Note	2009 $	2008 $
The components of tax expense comprise:			
- Current tax		43,296	44,338
- Deferred tax		(18,030)	(16,905)
- Recoupment of prior year tax losses		21,013	(44,338)
- Temporary differences not recognised		-	16,905
		46,279	**-**
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Operating profit		276,852	126,816
Prima facie tax on profit from ordinary activities at 30%		83,055	38,045
Add tax effect of:			
- non-deductible expenses		6,000	1,965
- timing difference expenses		(3,734)	4,328
- recoupment of prior year tax losses		(21,013)	(44,338)
Current tax		64,308	-
Movement in deferred tax	10.	(18,030)	-
		46,278	**-**
The following deferred tax assets have not been brought to account as assets:			
Tax losses		-	21,013
Temporary differences		-	20,852
		-	**41,865**

The benefits from these deferred tax assets will only be recognised in accordance with the accounting policy outlined in Note 1.

Notes to the financial statements continued

	2009 $	2008 $

Note 6. Cash assets

Cash at bank and on hand	207,025	138,322
Term deposits	335,045	259,329
	542,070	**397,651**

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		
Cash at bank and on hand	207,025	138,322
Term deposit	335,045	259,329
	542,070	**397,651**

Note 7. Trade and other receivables

Trade receivables	135,795	99,903
Prepayments	3,630	6,311
	139,425	**106,214**

Note 8. Property, plant and equipment

Plant and equipment		
At cost	352,276	351,726
Less accumulated depreciation	(154,360)	(129,915)
	197,916	**221,811**
Leasehold improvements		
At cost	70,062	41,395
Less accumulated depreciation	(15,474)	(6,833)
	54,588	**34,562**
Total written down amount	**252,504**	**256,373**

Notes to the financial statements continued

	2009 $	2008 $

Note 8. Property, plant and equipment (continued)

Movements in carrying amounts:

	2009 $	2008 $
Plant and equipment		
Carrying amount at beginning	221,811	236,825
Additions	550	8,569
Disposals	-	-
Less: depreciation expense	(24,445)	(23,583)
Carrying amount at end	**197,916**	**221,811**
Leasehold improvements		
Carrying amount at beginning	34,562	7,029
Additions	28,667	41,395
Disposals	-	(5,510)
Less: depreciation expense	(8,641)	(8,352)
Carrying amount at end	**54,588**	**34,562**
Total written down amount	**252,504**	**256,373**

Note 9. Intangible assets

	2009 $	2008 $
Franchise fee		
At cost	120,000	120,000
Less: accumulated amortisation	(106,000)	(102,000)
Franchise renewal fee		
At cost	80,000	80,000
Less: accumulated amortisation	(24,000)	(8,000)
	70,000	**90,000**

Notes to the financial statements continued

	Note	2009 $	2008 $

Note 10. Deferred tax

Deferred tax			
Opening balance		-	-
Future income tax benefits attributable to losses		-	-
Recoupment of prior year tax losses		-	-
Deferred tax on provisions		18,030	-
Under/over provision in relation to prior years		-	-
Closing balance		**18,030**	**-**

Note 11. Trade and other payables

Current:			
Trade creditors and accruals		26,713	56,640
GST payable		21,843	22,505
Lease incentive		3,000	3,000
		51,556	**82,145**
Non-current:			
Lease incentive		**21,024**	**24,024**

Note 12. Borrowings

Current:			
Credit card facilities		3,018	4,027
Lease liability	13	4,928	4,523
		7,946	**8,550**
Non-current			
Lease liability	**13**	**26,782**	**31,710**

Lease liabilities are secured by the assets under lease.

The credit card facilities are not secured. The Company has two credit card facilities:

Chief Executive Officer: $5,000 (2008:$5,000)

Administration Officer: $1,000 (2008:$1,000)

	2009 $	2008 $

Note 13. Leases

Finance lease commitments

	2009 $	2008 $
Payable — minimum lease payments		
— not later than 12 months	7,464	7,464
— between 12 months and 5 years	31,013	38,477
— greater than 5 years	-	-
Minimum lease payments	**38,477**	**45,941**
Less future finance charges	(6,767)	(9,708)
Present value of minimum lease payments	**31,710**	**36,233**

The finance lease relates to the lease of a motor vehicle, which commenced in November 2007. The lease is for five years with an option to purchase at the end of the term. Lease payments are made monthly in advance and interest is recognised at an average rate of 8.6%. No contingent rental is payable and the liability is secured by the asset under lease.

Note 14. Provisions

Current:

	2009 $	2008 $
Provision for annual leave	**38,266**	**48,872**
Non-current:		
Provision for long service leave	**24,646**	**23,698**
Number of employees at year end	**12**	**12**

Note 15. Contributed equity

	2009 $	2008 $
1,008,007 Ordinary shares fully paid of $1 each (2008: 1,008,007)	**1,008,007**	**1,008,007**

Note 15. Contributed equity (continued)

Rights attached to shares

(a) Voting rights

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

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

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

(b) Dividends

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

(c) Transfer

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

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

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 they control or own 10% or more of the shares in the Company (the "10% limit").

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

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

Note 15. Contributed equity (continued)

Prohibited shareholding interest (continued)

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

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

	2009 $	2008 $
Note 16. Accumulated losses		
Balance at the beginning of the financial year	(376,768)	(458,224)
Net profit from ordinary activities after income tax	230,573	126,816
Dividends paid or provided for	(50,400)	(45,360)
Balance at the end of the financial year	**(196,596)**	**(376,768)**

Note 17. Statement of cash flows

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

Profit from ordinary activities after income tax	230,573	126,816
Non cash items:		
- depreciation	33,085	25,351
- amortisation	20,000	14,584

	2009 $	2008 $

Note 17. Statement of cash flows (continued)

Changes in assets and liabilities:

	2009 $	2008 $
- (increase)/decrease in receivables	(33,211)	11,675
- (increase)/decrease in other assets	(18,030)	-
- increase/(decrease) in payables	6,809	(10,794)
- increase/(decrease) in provisions	(9,658)	35,717
Net cashflows provided by operating activities	**229,568**	**203,349**

Note 18. Auditors' remuneration

Amounts received or due and receivable by Andrew Frewin & Stewart for:

	2009 $	2008 $
- audit & review services	4,500	3,000
- non audit services	7,911	-
	12,411	**3,000**

Note 19. Director and related party disclosures

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

Peter James Strong

Jayson Richard Hinder

Nicholas Kalogeropoulos

Ronald Alfred Kingsbury

Maria Grazia Porreca

Lance Prior

Alan Hodges

George William Kelly

Nadine Lee White (Appointed 4 May 2009)

Richard John Rolfe (Appointed 1 June 2009)

There were no related party transactions during the financial year apart from those relating to Key Management Personnel, which are separately disclosed under note 21 in this report.

Note 19. Director and related party disclosures (continued)

Directors' shareholdings	2009	2008
Peter James Strong	-	-
Jayson Richard Hinder	5,001	-
Nicholas Kalogeropoulos	-	-
Ronald Alfred Kingsbury	-	-
Maria Grazia Porreca	1,001	1,001
Lance Prior	-	-
Alan Hodges	-	-
George William Kelly	501	501
Nadine Lee White (Appointed 4 May 2009)	-	-
Richard John Rolfe (Appointed 1 June 2009)	-	-

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

Note 20. Dividends paid or provided

	2009 $	2008 $
a. Dividends paid during the year		
Current year paid		
Unfranked dividend - 5 cents (2008: 4.5 cents) per share	**50,400**	**45,360**

Note 21. Key management personnel disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including any Director of the entity.

The names and positions held by key management personnel in office at any time during the year were:

Key management person	Position
Peter James Strong	Chairman - Non-executive
Jayson Richard Hinder	Deputy Chairman - Non-executive
Nicholas Kalogeropoulos	Treasurer - Non-executive
Ronald Alfred Kingsbury	Director - Non-executive
Maria Grazia Porreca	Director - Non-executive
Lance Prior	Director - Non-executive
Alan Hodges	Director - Non-executive
George William Kelly	Director - Non-executive
Nadine Lee White	Director - Non-executive (Appointed 4 May 2009)
Richard John Rolfe	Director - Non-executive (Appointed 1 June 2009)
Raymond Haley	Business Development Manager

Key management personnel compensation

The compensation for each key management person of the Company was as follows:

	Salary, fees & commissions		Superannuation contributions		Non-cash benefits*		Total	
Key management person	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
P Strong	750	500	-	-	340	453	1,090	953
J Hinder	750	459	-	-	340	453	1,090	912
N Kalogeropoulos	750	68	-	-	340	453	1,090	521
R Kingsbury	750	500	-	-	340	453	1,090	953
M Porreca	750	500	-	-	340	453	1,090	953
L Prior	750	500	-	-	340	453	1,090	953
A Hodges	750	164	-	-	340	453	1,090	617
G Kelly	750	500	-	-	340	453	1,090	953
N White	119	-	-	-	340	-	459	-
R Rolfe	62	-	-	-	340	-	402	-
R Haley	96,274	102,782	7,730	8,566	340	453	104,344	111,801
	102,454	**105,973**	**7,730**	**8,566**	**3,741**	**4,077**	**113,925**	**118,616**

* Non-cash benefits relates to Directors and Officers insurance paid by the Company on behalf of all Directors and Officers of the Company.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Notes to the financial statements continued

	2009 $	2008 $

Note 21. Key management personnel disclosures (continued)

Transactions with related parties:

The legal firm Meyer Vandenberg Lawyers, of which Jayson Hinder, Director, is a partner provided legal services to the Company during the financial year to the value of	**6,187**	-

Other than payments to Meyer Vandenberg Lawyers, there are no formal contracts with the Company to which a Director is a party or receives a benefit.

The employment conditions of the Business Development Manager, Raymond Haley, are formalised in a contract of employment and he is a permanent employee of the Company. The contract has no specific duration.

The contract specifies a notice perido in accordance with the Workplace Relations Act 1996. Termination payments are also in terms of the same Act.

Remuneration practices

In setting the remuneration policy of Tuggeranong Valley Financial Services Limited, the Board recognises the Company has been formed to govern the **Community Bank®** branch as it returns banking services to the community, provides contributions to community projects and the shareholders who contributed the capital.

The legal and moral obligations of the Board are onerous, as is the time contributed by the Board on the ongoing governance of the Company. In recognition of this, the Board may be remunerated for its efforts, at the Board's discretion. As the organisation matures and the demands on the time of the Directors increase, the prospect becomes more likely and appropriate.

The remuneration will be subject to the following:

- Consultation with shareholders prior to a recommendation being made by the Board.
- The amount payable to Directors being ratified by shareholders at the Annual General meeting.
- Directors' remuneration is made in line with the philosophies of the **Community Bank®** concept.

The remuneration for the Business Development Manager is arrived at after consultation with Bendigo and Adelaide Bank Ltd and is set in line with the employee's peers in the bank network.

At this stage performance payments are not a part of the remuneration package, however the use of this form of remuneration may be considered in the future.

Note 22. Earnings per share

	2009 $	2008 $
(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	230,573	126,816

	2009 $	2008 $
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,008,007	1,008,007

Note 23. 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 24. Contingent liabilities

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

Note 25. 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 Tuggeranong Valley and district, Australian Capital Territory.

Note 26. Registered office/principal places of business

The registered office and principal place of business is:

Registered office

Level 6 39 London Circuit,
Canberra ACT 2601

Principal places of business

Unit 13 & 14 Waniassa Shopping Centre,
Sangster Place,
Wanniassa ACT 2903

Shop 19 Calwell Shopping Centre,
Weber Crescent,
Calwell ACT 2905

Note 27. 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 Balance Sheet and notes to the financial statements.

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

Interest rate risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in: 1 year or less		Fixed interest rate maturing in: Over 1 to 5 years		Fixed interest rate maturing in: Over 5 years		Non interest bearing		Weighted average effective interest rate	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 %	2008 %
Financial assets												
Cash assets	206,626	138,011	-	-	-	-	-	-	399	311	0.05	0.05
Term deposits	-	-	335,045	259,329	-	-	-	-	-	-	7.29	6.25
Receivables	-	-	-	-	-	-	-	-	139,425	178,214	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	51,556	82,145	N/A	N/A
Borrowings	3,018	4,028	-	-	-	-	-	-	-	-	Nil	Nil
Lease liabilities	-	-	7,464	7,464	31,013	38,477	-	-	-	-	N/A	N/A

Directors' declaration

In accordance with a resolution of the Directors of Tuggeranong 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.

Peter James Strong	**Nadine Lee White**
Chairman	**Director**

Signed 25 September 2009.

Independent audit report

AFS
partners in success
Chartered Accountants & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

To the members of Tuggeranong Valley Financial Services Limited

We have audited the accompanying financial statements of Tuggeranong 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 Tuggeranong 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 Tuggeranong 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 25th of September 2009

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