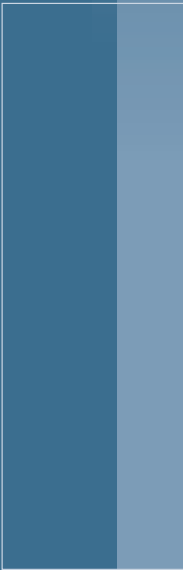
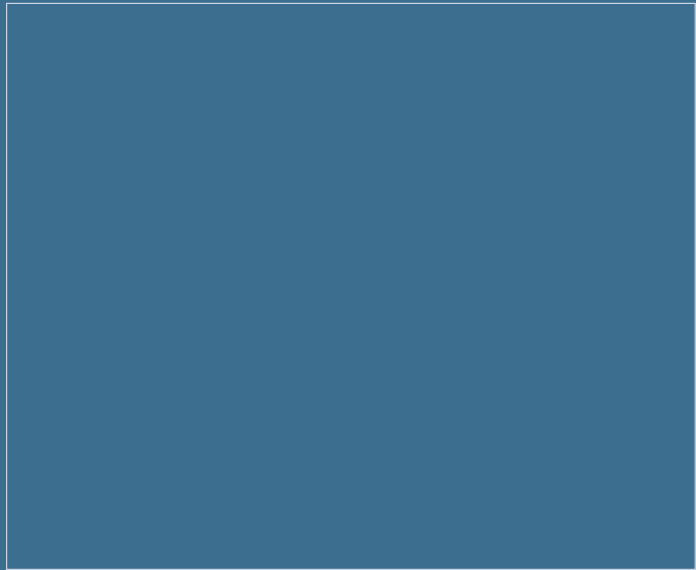
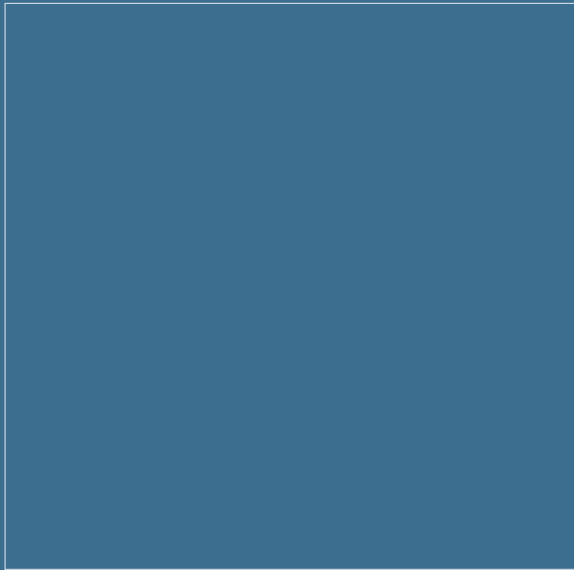


annual report | 2009



Murrumbidgee Financial
Services Limited
ABN 12 118 357 467

Harden Murrumbidgee **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2009

It is with much pleasure and great pride that I present the annual report on the affairs of your Company in its third year of operation.

The performance of Harden Murrumburrah **Community Bank**[®] Branch has been far above expectations, which is particularly notable in times of extended drought and a downturn in the financial affairs of almost the entire world. We have enjoyed continuous growth both of the volume of business and the number of clients.

The Directors of the Company continue to work tirelessly to enhance the profile of your bank within the community, thereby bringing us closer to the time when you, the shareholders will not only have the satisfaction of supporting your community in a very real way materially but also by receiving your share of the profits in the form of dividends.

The way in which so many of the Directors are involved in numerous community enterprises is evidence of their genuine desire to help our town and district to flourish.

Early in the year Jim Cusack left the Board, but otherwise it remained relatively unchanged. However we are required by our constitution to have one third of our number resign, and so Dr. Yusuf Khalfan, Sue McCarthy and Brenden Mackay have done so but each of these Directors has been nominated to remain on the Board for another three years. The Board has invited Mr. Hugh Pavitt to become a member and we ask that you formally elect him.

Our franchisor, Bendigo and Adelaide Bank Ltd, provides opportunities for the volunteers who manage **Community Bank**[®] Companies to attend Director education workshops. A number of our Board members have attended workshops covering such topics as governance, marketing, secretarial skills, growing the business and use of the eRoom, an internet based method of sharing and communicating information and data.

In March we facilitated the first "Community Enterprise in Action" meeting titled "Good for Business, Good for Community" to which we invited the town's civic and business leaders. From that we have developed a list of the issues it is felt should be addressed for the continued growth and prosperity of the Harden Shire. The main priorities identified by this meeting were:

- Community attitudes - the fostering of co-operation, co-ordination, collaboration and commitment
- Improvement of our environment - by upgrading our streetscape
- Retention and growth of health services such as aged care and hospitals
- Grow and attract diverse small businesses.

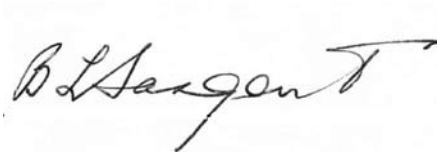
We have continued to support the community in different ways. The Show Society, Trinity School local Directory and the Junior Soccer have all received sponsorship funding.

Chairman's report continued

We have pledged to assist the Bunyip school with the new fence and we have indicated that we will assist the Show Society with an exciting new project.

On behalf of the Directors I congratulate Branch Manager Ralph Hawkins and his team on their commitment to bringing friendly and efficient service to our clients. We thank them sincerely for the continuing success of Harden Murrumburrah **Community Bank**® Branch.

Finally I must thank my fellow Board members for their sustained input into operating a successful banking venture.

A handwritten signature in black ink, appearing to read 'B. Sargent', written in a cursive style.

Barb Sargent

Chairman

Manager's report

For year ending 30 June 2009

Murrumbula Financial Services Ltd as at June 2009 has traded for just over two years.

At 30 June 2009 we have business footings of over \$28 million with 1,142 accounts operating. The drought continues and the level of economic activity in our local economy remains flat. Notwithstanding these factors our **Community Bank**[®] branch has increased its business footings over the financial year by \$15 million. Our business footing target for the year was \$23 million.

This result is even more pleasing considering that we have over 50% of our shareholders who are yet to commence a banking relationship with their own **Community Bank**[®] branch.

The efforts of Gale, Janelle, and Sarah in providing our customers with a level of customer service that has all but disappeared elsewhere is greatly appreciated and has gone a long way in ensuring that our business has grown. The support of the Board is also greatly appreciated and another of the elements that will see the **Community Bank**[®] branch continue to grow over the next 12 months.

Again to those people who have already made the decision to bank with Harden Murrumburrah **Community Bank**[®] Branch, many thanks! Please do not hesitate to refer your friends and family to your **Community Bank**[®] branch.

To the remaining 50% of shareholders who are yet to commence a banking relationship with their Company we would be pleased to assist in providing banking and financial services to you.



Ralph Hawkins
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 their report of the Company for the financial year ended 30 June 2009.

Directors

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

Barbara Sargent

Chairman
Retired School Teacher

Tony Campbell

Director
Agriculture Business

James Cusack - resigned February 2009

Director
Stock & Station Agent

Dr Yusufali Khalfan

Director
Medical Practitioner

Geoffrey Buckland

Director
Retired

Susan McCarthy

Treasurer
Farm Officer Manager

Julie O'Connor

General Secretary
Home duties

Brenden Robert McKay

Chairman
Businessman

Hugh Pavitt - appointed March 2009

Director
Businessman

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

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

Principal activities

The principal activities of the Company during the course of the financial year were in providing **Community 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.

Directors' report continued

Operating results

Operations have continued to perform in line with expectations. The profit/(loss) of the Company for the financial year after provision for income tax was (\$121,872) (2008: (\$162,712)).

Dividends	Year ended 30 June 2009	
	Cents per share	\$'000
Final dividends recommended:	nil	nil
Dividends paid in the year:		
- Interim for the year	nil	nil
- As recommended in the prior year report	nil	nil

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.

Significant events after the balance date

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

Likely developments

The Company will continue its policy of providing banking services to the community.

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnification and insurance of Directors and Officers

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

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

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 meetings held: 12

Number of meetings attended:

Barbara Sargent	11
Tony Campbell	11
James Cusack - resigned February 2009	4
Dr Yusufali Khalfan	10
Geoffrey Buckland	11
Susan McCarthy	12
Julie O'Connor	11
Brenden Robert McKay	12
Hugh Pavitt - appointed March 2009	4

Company Secretary

Alexander Wright has been the Company Secretary of Murrumbula Financial Services Ltd since 2008.

Corporate governance

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

- (a) The establishment of an audit committee. Members of the audit committee are Alexander Wright, Susan McCarthy, Barbara Sargent, Julie O'Connor and Yusufali Khalfan
- (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.

Auditor independence declaration

The Directors received the following declaration from the Auditor of the Company:

Grant L Pearce
Chartered Accountant

Directors' report continued

Auditor's independence declaration

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

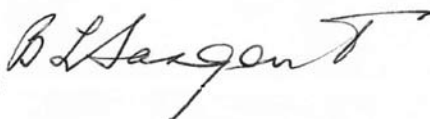


Grant L Pearce
Chartered Accountant

Goulburn

Date: 15 October 2009.

Signed in accordance with a resolution of the Board of Directors on 15 October 2009.



Barbara Sargent
Director



Susan McCarthy
Director

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenue from ordinary activities	2	184,835	126,856
Employee benefits expense	3	(197,750)	(194,002)
Charitable donations and sponsorship		-	-
Depreciation and amortisation expense	3	(37,722)	(40,598)
Finance costs	3	(2,231)	-
Other expenses from ordinary activities		(116,425)	(124,612)
Profit/(loss) before income tax expense		(169,293)	(232,356)
Income tax benefit	4	(47,421)	(69,644)
Profit/(loss) after income tax		(121,872)	(162,712)
Earnings per share (cents per share)			
- basic for profit / (loss) for the year	22	-17.71	-23.65
- diluted for profit / (loss) for the year	22	-17.71	-23.65
- dividends paid per share	21	-	-

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash assets	6	-	7,518
Receivables	7	23,926	21,706
Total current assets		23,926	29,224
Non-current assets			
Property, plant and equipment	8	180,725	210,256
Deferred income tax asset	4	190,012	142,592
Intangible assets	9	18,851	27,041
Total non-current assets		389,589	379,890
Total assets		413,515	409,114
Current liabilities			
Payables	10	24,845	41,566
Interest bearing liabilities	11	144,133	-
Current tax payable	4	-	-
Provisions	12	11,223	12,364
Total current liabilities		180,202	53,930
Non-current liabilities			
Interest bearing liabilities	11	-	-
Total non-current liabilities		-	-
Total liabilities		180,202	53,930
Net assets		233,313	355,184
Equity			
Share capital	13	688,108	688,108
Retained earnings / (accumulated losses)	14	(454,795)	(332,924)
Total equity		233,313	355,184

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Cash receipts in the course of operations		129,564	111,986
Cash payments in the course of operations		(281,217)	(344,766)
Interest paid		-	-
Interest received		1	7,708
Income tax paid		-	-
Net cash flows from/(used in) operating activities	15b	(151,652)	(225,072)
Cash flows from investing activities			
Payment for intangible assets		-	-
Payments for property, plant and equipment		-	-
Net cash flows from/(used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from borrowings		144,133	-
Repayment of borrowings		-	-
Finance lease payments		-	-
Dividends paid		-	-
Net cash flows from/(used in) financing activities		144,133	-
Net increase/(decrease) in cash held		(7,519)	(225,072)
Add opening cash brought forward		7,519	232,591
Closing cash carried forward	15a	0	7,519

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Note	2009 \$	2008 \$
Share capital			
Ordinary shares			
Balance at start of year		688,108	688,108
Issue of share capital		-	-
share issue costs		-	-
Balance at end of year		688,108	688,108
Retained earnings / (accumulated losses)			
Balance at start of year		(332,924)	(170,212)
Profit/(loss) after income tax		(121,872)	(162,712)
Dividends paid		-	-
Balance at end of year		(454,795)	(332,924)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Basis of preparation of the financial report

(a) Basis of accounting

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

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

The financial report was authorised for issue by the Directors on 8 October 2009.

(b) Statement of compliance

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

(c) Significant accounting policies

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

Income tax

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

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

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

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

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

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Property, plant and equipment

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

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

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

Class of asset	Depreciation rate
Buildings	2.5%
Plant & equipment	10-20%

Impairment

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

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

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

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

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

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

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

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

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Recoverable amount of assets

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

Goods and services tax

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

Receivables and payables are stated with the amount of GST included.

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

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

Employee benefits

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

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

Intangibles

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

Cash

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

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

Comparative figures

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

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Revenue

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

Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Interest bearing liabilities

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

Provisions

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

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

Contributed capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Notes to the financial statements continued

	2009 \$	2008 \$
Note 2. Revenue from ordinary activities		
Operating activities		
- services commissions	149,374	96,224
- other revenue	35,460	22,924
Total revenue from operating activities	184,834	119,148
Non-operating activities:		
- interest received	1	7,708
- other revenue	-	-
Total revenue from non-operating activities	1	7,708
Total revenue from ordinary activities	184,835	126,856

Note 3. Expenses

Employee benefits expense		
- wages and salaries	183,034	172,769
- superannuation costs	15,858	15,151
- post-employment benefits (other than superannuation)	-	-
- workers' compensation costs	-	-
- other costs	(1,141)	6,082
	197,750	194,002
Depreciation of non-current assets:		
- plant and equipment	29,532	32,408
- buildings	-	-
Amortisation of non-current assets:		
- intangibles	8,190	8,190
	37,722	40,598
Finance costs:		
- Interest paid	2,231	-
Bad debts	-	-

Notes to the financial statements continued

	2009 \$	2008 \$
Note 4. Income tax expense		
The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 30%	(50,788)	(69,707)
Add tax effect of:		
- Non-deductible expenses	3,367	63
- Prior year tax losses not previously brought to account	-	-
- Future income tax benefit not brought to account	-	-
Current income tax expense	(47,421)	(69,644)
Origination and reversal of temporary differences	-	-
Deferred income tax expense	-	-
Income tax expense	(47,421)	(69,644)
Tax liabilities		
Current tax payable	-	-
Deferred income tax asset		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	190,012	142,592

Note 5. Auditors' remuneration

Amounts received or due and receivable by Grant L Pearce for:

- Audit or review of the financial report of the Company	4,000	4,200
- Other services	3,200	3,500
	7,200	7,700

Note 6. Cash assets

Cash at bank and on hand	-	7,518
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Notes to the financial statements continued

	2009 \$	2008 \$
Note 7. Receivables		
GST receivable	-	5,631
Trade debtors & prepayments	23,926	16,075
	23,926	21,706

Note 8. Property, plant and equipment

Land

Freehold land at cost	-	-
Leasehold improvements		
At cost	228,962	228,962
Less accumulated depreciation	(58,159)	(33,017)
	170,803	195,945

Plant and equipment

At cost	27,835	27,834
Less accumulated depreciation	(17,913)	(13,523)
	9,922	14,311
Total written down amount	180,725	210,256

Movements in carrying amounts

Leasehold improvements		
Carrying amount at beginning of year	195,945	221,087
Additions	-	-
Disposals	-	-
Depreciation expense	(25,142)	(25,142)
Carrying amount at end of year	170,803	195,945
Plant and equipment		
Carrying amount at beginning of year	14,311	21,577
Additions	-	-
Disposals	-	-
Depreciation expense	(4,390)	(7,266)
Carrying amount at end of year	9,921	14,311

Notes to the financial statements continued

	2009 \$	2008 \$
Note 9. Intangible assets		
Franchise fee		
At cost	10,000	10,000
Less accumulated amortisation	(6,625)	(4,625)
	3,375	5,375
Preliminary expenses		
At cost	30,951	30,951
Less accumulated amortisation	(15,475)	(9,285)
	15,476	21,666
	18,851	27,041

Note 10. Payables

Trade creditors	12,237	34,153
GST payable	5,039	-
Other creditors and accruals	7,569	7,413
	24,845	41,566

Note 11. Interest bearing liabilities

Bank overdraft	144,133	-
Bank loan - secured	-	-
	144,133	-

Note 12. Provisions

Employee benefits	11,223	12,364
Number of employees at year end	4	4

Notes to the financial statements continued

	2009 \$	2008 \$
Note 13. Share capital		
688,108 Ordinary shares fully paid of \$1 each	688,108	688,108

Note 14. Retained earnings / (accumulated losses)

Balance at the beginning of the financial year	(332,924)	(170,212)
Profit/(loss) after income tax	(121,872)	(162,712)
Dividends	-	-
Balance at the end of the financial year	(454,795)	(332,924)

Note 15. Cash flow statement

(a) Reconciliation of cash

Cash assets	-	7,519
Bank overdraft	-	-
	-	7,519

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

Profit / (loss) after income tax	(121,872)	(162,712)
Non cash items		
- Depreciation	29,532	32,408
- Amortisation	8,190	8,190
Changes in assets and liabilities		
- (Increase) decrease in receivables	(55,271)	(6,954)
- Increase (decrease) in payables	(21,915)	(48,614)
- Increase (decrease) in provisions	9,684	(47,390)
Net cash flows from/(used in) operating activities	(151,652)	(225,072)

Notes to the financial statements continued

Note 16. Director and related party disclosures

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

Barbara Sargent
Tony Campbell
James Cusack - resigned February 2009
Dr Yusufali Khalfan
Geoffrey Buckland
Susan McCarthy
Julie O'Connor
Brenden Robert McKay
Hugh Pavitt - appointed March 2009

No 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.

Directors' shareholdings	2009	2008
Barbara Sargent	4,001	4,001
Tony Campbell	2,001	2,001
James Cusack - resigned February 2009	501	501
Dr Yusufali Khalfan	3,001	3,001
Geoffrey Buckland	3,000 *	3,000
Susan McCarthy	12,501 *	12,501
Julie O'Connor	2,000 *	2,000
Brenden Robert McKay	4,001 *	4,001
Hugh Pavitt - appointed March 2009	5,000	5,000

* Including shares held jointly with spouse.

There was no movement in Directors' shareholdings during the year. Each share held has a paid up value of \$1 and is fully paid.

Note 17. Subsequent events

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

Notes to the financial statements continued

Note 18. Contingent liabilities

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

Note 19. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Harden Murrumburrah.

Note 20. Corporate information

Murrumbulla Financial Services Ltd is a Company limited by shares incorporated in Australia.

The registered office and principal place of business is:

23 Neill Street,
Harden NSW 2587

	2009 \$	2008 \$
Note 21. Dividends paid or provided for on ordinary shares		
(a) Dividends proposed and recognised as a liability		
Franked dividends - nil cents per share (2008: nil cents)	-	-
(b) Dividends paid during the year		
(i) Current year interim		
Franked dividends - nil cents per share (2008: nil cents per share)	-	-
(ii) Previous year final		
Franked dividends - nil cents per share (2008: nil cents per share)	-	-
(c) Dividends proposed and not recognised as a liability		
Franked dividends - nil cents per share (2008: nil cents per share)	-	-

(d) Franking credit balance

The Company has no franking credits available for dividend payments.

Notes to the financial statements continued

	2009 \$	2008 \$
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Note 22. Earnings per share

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

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

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

Profit/(loss) after income tax expense	(121,872)	(162,712)
Weighted average number of ordinary shares for basic and diluted earnings per share	688,108	688,108

Note 23. Financial risk management

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

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

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

(a) Credit risk

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

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Balance Sheet and notes to the financial statements. The Company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2009 \$	2008 \$
Cash assets	-	7,518
Receivables	23,926	21,706
	23,926	29,224

Notes to the financial statements continued

Note 23. Financial risk management (continued)

(a) Credit risk (continued)

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

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

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

(b) Liquidity risk

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

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

In addition, the Company has an established overdraft facility of \$200,000 with Bendigo and Adelaide Bank Ltd.

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

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$
30 June 2009					
Payables	24,845	(24,845)	(24,845)	–	–
Interest bearing liabilities	144,133	–	–	–	–
	168,979	(24,845)	(24,845)	–	–
30 June 2008					
Payables	41,566	(41,566)	(41,566)	–	–
Interest bearing liabilities	–	–	–	–	–
	41,566	(41,566)	(41,566)	–	–

Notes to the financial statements continued

Note 23. Financial risk management (continued)

(c) Market risk

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

Interest rate risk

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

Sensitivity analysis

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

	Carrying amount	
	2009	2008
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Variable rate instruments		
Financial assets	-	7,519
Financial liabilities	(144,133)	-
	(144,133)	7,519

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Notes to the financial statements continued

Note 23. Financial risk management (continued)

(d) Net fair values

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

(e) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Balance Sheet.

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

(i) the Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2009 can be seen in the Income Statement.

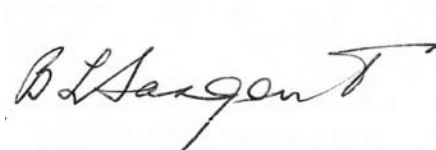
There were no changes in the Company's approach to capital management during the year.

Directors' declaration

In accordance with a resolution of the Directors of Murrumboola Financial Services Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;
- (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; and
- (c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2009.



Barbara Sargent
Director



Susan McCarthy
Director

Signed at Harden on 15 October 2009.

Independent audit report

Scope

We have audited the financial report, being the Statement by Directors, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of Murrumbidgee Financial Services Limited for the financial year ended 30 June 2009. The Company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the Auditor's independence declaration has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of Murrumbidgee Financial Services Limited is in accordance with:

1. 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 performance for the year ended on that date; and
 - (b) complying with Accounting Standards and the Corporations Regulations; and
2. other mandatory professional reporting requirements.

Signed 15 October 2009.



Grant Pearce

Grant L Pearce, Chartered Accountant

35 Montague St, Goulburn

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Franchisee: Murrumbidgee Financial Services Limited
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Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9099) (10/09)