

# CHAIRMAN'S REPORT

Dear Shareholders,

## FINANCIAL PROGRESS

As you would all be aware we have passed through a turbulent financial period.

It is a pleasure to be able to present to you a report which informs you of positive outcomes via our new branch openings at Ormeau and Mudgeeraba in the past financial year. Both branches have been fully funded from our own company cash reserves. With well trained and experienced staff, we see these two additions to our group as valuable assets going forward.

Our four branches at Paradise Point, Upper Coomera, Ormeau and Mudgeeraba continue to progress well. We can expect that the coming financial period will again see positive results.

As has been our practise we have continued to train staff for the other branches at Paradise Point. Thank you to senior manager Ian Johnston and staff who take up the role of "mentors".

## DIVIDEND ON SHARES

For 2009, I am pleased to announce a fully franked dividend of 5 cents per share.

With capital investment in excess of \$500,000 in the new sub-branches at Ormeau and Mudgeeraba, the Board sees it as being prudent in declaring this year's dividend. The Board believes that the investment made in this last financial year, in doubling our branch numbers from two to four, will see improved shareholder returns in the coming years.

## COMMUNITY ACTIVITY

We continue a very active role in the community with support of many very worthy causes. Again this year, we continue to be a major supporter of Paradise Kids at Arundel who provide a very important counselling and support service to children and their families. Many other community support groups have also been recipients of funding, together with our local sporting clubs. Through our branches in Upper Coomera, Ormeau and Mudgeeraba we have supported worthy causes in these communities.

Total grants, donations and sponsorships last financial year were \$130,638.00.

An invitation is again extended to all shareholders to have input into the distribution of funds going forward.

Since 2001, we have distributed a total of \$766,456 into our communities, a figure that includes both share dividends, grants, donations & sponsorships. I believe you will agree that this is a creditable achievement on your behalf.

Continued over

Thank you to Senior Manager Ian Johnston, Paradise Point, Mark Macgregor, Manager Upper Coomera, Dean Campbell, Manager Ormeau and Mark Harvey, Manager Mudgeeraba. Our staff have continued to show a full commitment of service to our company and the community by way of work ethic and giving freely of their time to attend various functions.

To the Board Members, thank you again for your continued support, the commitment of your valuable time and expertise, in ensuring the success of your **Community Bank**<sup>®</sup> Company.

The Board and I look forward to the future in a very positive light and to the financial benefits that our **Community Bank**<sup>®</sup> Company will deliver to shareholders and to our community groups.

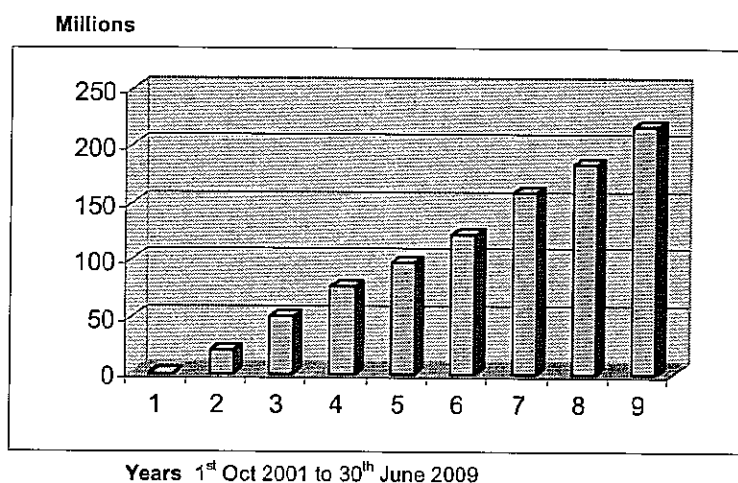
**Ann Robilotta**  
**CHAIRMAN**

## MANAGER'S REPORT

The past financial year has again been very solid for our **Community Bank**<sup>®</sup> Company. Our four branches at Paradise Point, Upper Coomera, Ormeau and Mudgeeraba grew by \$33.5m million in lending and deposit funds. Our combined business book as at 30 June 2009 sat at \$217.9m up from \$184.4m June 2008.

Since Paradise Point **Community Bank**<sup>®</sup> Branch, Bendigo Bank opened in Oct 2001, Upper Coomera Branch in May 2005, Ormeau Branch in Aug 2008 and Mudgeeraba Branch in late May 2009, our **Community Bank**<sup>®</sup> Company has seen consistent business growth as evidenced in the graph below.

### Cumulative Growth since 1<sup>st</sup> Oct 2001 to 30<sup>th</sup> June 2009



In the last financial year, we continued with the enhancement of our customer service network, with the opening of Ormeau and Mudgeeraba sub-branches. This now gives our growing customer base access to 6 sites, including our ATM's at Mount Tamborine and Runaway Bay Shopping Centre.

Our four full service branches are strategically placed to service the strong population growth in Mudgeeraba, Springbrook, Tallai, Upper Coomera, Oxenford, Mount Tamborine, Hope Island, Paradise Point, Runaway Bay through to the northern end of the Gold Coast City Council area at Ormeau, Jacobs Well, Jacobs Ridge and Yatala. The Board of Directors are very confident in that the positioning of our 4 branches and 2 offsite ATM's has placed our **Community Bank**<sup>®</sup> Company at the forefront to provide full financial services to new and existing customers with the Bendigo way of service in these rapidly growing areas of the Gold Coast, as we head into Australia's next growth cycle.

I would like to thank the Board of Directors, shareholders and our customers for their continued and growing support.

I would also like to acknowledge our staff teams: -

Continued over

### **Paradise Point**

Kristy Battista (Executive Assistant to the Board), Yvonne Watts (Customer Service Manager), Kristine Rasmussen (Senior Customer Service Supervisor), Margaret Egarr, Alana Dimatulac, Kelsey Graham, Hayley Anderson (Customer Service Officers) and Amanda Gall (Customer Service Relief Officer)

### **Upper Coomera**

Mark Macgregor (Manager), Carol Wood (Customer Service Manager), Suzanne Garrett and Sarah Goodman (Customer Service Officers).

### **Ormeau**

Dean Campbell (Manager), Jade Pippin (Senior Customer Service Supervisor) and Christopher Anderson (Customer Service Officer).

### **Mudgeeraba**

Mark Harvey (Manager), Jenny Morgan (Senior Customer Service Supervisor) and Christopher Wilshire (Customer Service Officer).

### **Trainee**

Samuel Pyke (Year 12, Coombabah State High).

We are continuing our strategy of training and promoting staff from within our **Community Bank**<sup>®</sup> Company. This strategy, complimented by the external recruitment of Mark Harvey, Amanda Gall and Sarah Goodman, in the last 12 months, has enabled us to fill appointments and relieve all positions within our branches. As our junior staff members mature into their respective roles, with mentoring by our senior staff, high service levels will continue to be our point of difference.

I am looking forward to the coming year and to the results that will be achieved by our four branches.

**Ian Johnston**  
**Senior Manager**

**PARADISE POINT FINANCIAL SERVICES LIMITED**

**Financial Report**

**as at**

**30 June 2009**

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Directors' Report**

Your Directors submit their report together with 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:

Ann Robilotta  
Chairperson/Director  
Age: 67  
Director

Paul Vertullo  
Director  
Age: 71  
Real Estate Agent  
(Re-elected 26 November 2008)

Ewald Gerhard (Garry) Kuppe  
Director  
Age: 69  
Businessman

Frederick William Woodley  
Director  
Age: 83  
Retired Engineer  
(Re-elected 26 November 2008)

John Ronald Hooton  
Director  
Age: 71  
Retailer

Helen Louise Weissenberger  
Director  
Age: 44  
Certified Practising Accountant

Directors were in office for this entire year unless otherwise stated.  
No Directors have material interests in contracts or proposed contracts with the company.

**Company Secretary**

The following person held the position of Company secretary at the end of the financial year:

David John Mattner, B.Com, FCPA, AAUQ. Mr Mattner has been the senior partner of Koschel Mattner CPA Accountants for over 35 years. Mr Mattner was appointed company secretary on 4 August 2004.

**Principal Activities**

The principal activity of the company during the course of the financial year was in providing community banking services under Franchise Agreements to operate franchised branches of Bendigo Bank Limited. There were no significant changes in the nature of the company's principal activities during the financial year.

**Operating Results**

The profit/(loss) of the company for the financial year after provision for income tax was:

Year ended	Year ended
30-Jun-09	30-Jun-08
\$	\$
14,331	225,006

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Directors' Report**

**Review of Operations**

A review of operations of the Company during the financial year indicated that the ongoing income from the franchise agreements led to an increase in revenue by 20.6%. During the year the Company opened 2 new sub-branches at Ormeau and Mudgeeraba. The establishment costs of these branches was funded from company cash flow and profit. This resulted in a decrease in the Company's overall profit.

**Dividends**

A dividend of 16.17c per share (total \$101,022.08) was declared and paid for the previous year. No interim dividends have been declared or paid for the current year.

**Significant Changes in State of Affairs**

During the year the Company opened 2 new sub-branches at Ormeau and at Mudgeeraba. This increased our retail outlets from 2 to 4. The capital cost of this expansion was over \$474,000. In the opinion of the directors there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial 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 or Auditor**

The Company has indemnified all Directors, Officers 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, Officers 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.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Directors' Report**

**Environmental Issues**

The Company's operations are not regulated by any significant environment regulation under a law of the Commonwealth or of a State or Territory.

**Options**

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

**Directors Meetings**

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

**Number of Meetings Held:** 13

**Number of Meetings Attended:**

Ann Robilotta	13
Ewald Gerhard (Garry) Kuppe	13
Paul Vertullo	13
Frederick William Woodley	13
John Ronald Hooton	13
Helen Louise Weissenberger	11

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found attached to the director's report.

Signed in accordance with a resolution of the Board of Directors at Runaway Bay, Queensland  
On 23 September 2009

  
ANN ROBILOTTA, Chairperson

  
JOHN HOOTON, Director



**PARADISE POINT FINANCIAL SERVICES LIMITED  
ABN 33 095 686 936**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF PARADISE POINT FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**WILLIAMS PARTNERS  
INDEPENDENT AUDIT SPECIALISTS**

*A. I. Mckirdy*

**ANDREA MCKIRDY BBus CPA RICA  
PARTNER  
Registered Company Auditor No. 278326**

**Dated this 17<sup>th</sup> day of September 2009**

**4 Helensvale Road  
Helensvale Qld 4212**

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Income Statement**  
**For year ended 30 June 2009**

	<u>Notes</u>	2009 \$	2008 \$
Revenue	2	1,936,074	1,604,321
Salaries & employee benefits expense		955,784	584,159
Depreciation and amortisation expense	3	80,589	49,687
Borrowing costs expense	3	1,927	2,566
Other expenses		<u>881,114</u>	<u>640,606</u>
<b>Profits before income tax expense</b>		16,660	327,303
Income tax expense	4	2,329	102,297
<b>Profit attributable to members of the company</b>		<u><u>14,331</u></u>	<u><u>225,006</u></u>

The accompanying notes form part of these financial statements.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Statement of Changes in Equity**  
**For year ended 30 June 2009**

	Note	<u>Contributed Equity</u>	<u>Retained Earnings</u>	<u>Total</u>
		\$	\$	\$
Balance at 1 July 2007	13	608,450	94,974	703,424
Profit attributable to members of the company		-	225,006	225,006
<hr/>				
Balance at 30 June 2008		608,450	319,980	928,430
Profit attributable to members of the company		-	14,331	14,331
Dividend paid		-	(101,022)	(101,022)
<hr/>				
Balance at 30 June 2009		608,450	233,289	841,739

The accompanying notes form part of these financial statements.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Balance Sheet**  
**As at 30 June 2009**

	<u>Notes</u>	2009 \$	2008 \$ (restated)
<b>Current Assets</b>			
Cash and cash equivalents	6	124,755	627,188
Trade and other receivables	7	<u>179,311</u>	<u>197,466</u>
<b>Total Current Assets</b>		<u>304,066</u>	<u>824,654</u>
<b>Non-Current Assets</b>			
Trade and other receivables	7	16,918	0
Property, plant and equipment	8	616,674	273,413
Intangible assets	9	<u>112,018</u>	<u>104,802</u>
<b>Total Non-Current Assets</b>		<u>745,610</u>	<u>378,215</u>
<b>Total Assets</b>		<u>1,049,676</u>	<u>1,202,869</u>
<b>Current Liabilities</b>			
Trade and other payables	10	67,727	98,065
Borrowings	11	9,962	9,180
Current tax liability	4	48,062	119,827
Short-term provisions	12	<u>50,506</u>	<u>311</u>
<b>Total Current Liabilities</b>		<u>176,257</u>	<u>227,383</u>
<b>Non-Current Liabilities</b>			
Borrowings	11	9,684	19,645
Long-term provisions	12	<u>21,996</u>	<u>27,411</u>
<b>Total Non-Current Liabilities</b>		<u>31,680</u>	<u>47,056</u>
<b>Total Liabilities</b>		<u>207,937</u>	<u>274,439</u>
<b>Net Assets</b>		<u>841,739</u>	<u>928,430</u>
<b>Equity</b>			
Contributed equity	13	608,450	608,450
Retained Earnings		<u>233,289</u>	<u>319,980</u>
<b>Total Equity</b>		<u>841,739</u>	<u>928,430</u>

The accompanying notes form part of these financial statements.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Statement of Cash Flows**  
**For year ended 30 June 2009**

	<u>Notes</u>	2009 \$	2008 \$
<b>Cash Flows From Operating Activities</b>			
Cash receipts in the course of operations		2,100,130	1,559,759
Cash payments in the course of operations		(2,057,470)	(1,209,235)
Interest paid		(1,927)	(2,566)
Interest received		28,101	32,160
Income tax paid		(30,000)	(20,558)
<b>Net cash flows from/(used in) operating activities</b>	15b	<u>38,834</u>	<u>359,560</u>
<b>Cash Flows From Investing Activities</b>			
Payment for Intangible assets		(50,516)	11,000
Payments for Property, Plant and Equipment		(380,550)	10,900
<b>Net cash flows from/(used in) investing activities</b>		<u>(431,066)</u>	<u>(21,900)</u>
<b>Cash Flows From Financing Activities</b>			
Payments for repayment of loans		(9,179)	(9,180)
Increase/(Decrease) in Payables		0	46,792
(Increase)/Decrease in Receivables		0	(12,923)
Dividends paid		(101,022)	(70,794)
<b>Net cash flows from/(used in) financing activities</b>		<u>(110,201)</u>	<u>(46,105)</u>
<b>Net increase/(decrease) in cash held</b>		(502,433)	291,555
Cash at the beginning of the financial year		627,188	335,633
<b>Cash at the end of the financial year</b>	15a	<u>124,755</u>	<u>627,188</u>

The accompanying notes form part of these financial statements.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

This financial report includes the Financial Statements and Notes of Paradise Point Financial Services Limited (the company).

## **1. Statement of significant accounting policies**

### **Basis of preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **a. Income tax**

The income tax expense for the year comprises current income tax expense. There is no deferred tax expense.

Current income tax expenses charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted as at reporting date. Current tax liabilities are therefore measured at the net amounts expected to be paid to and recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

#### **b. 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.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. 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 operating cash flows.

**c. 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.

Contributions to employee superannuation funds are charged against income as incurred.

**d. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed for the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Building	N/A
Leasehold improvements	6.67%
Plant and equipment	7.5-37.5%
Plant and equipment leased to external parties	N/A
Leased plant and equipment	N/A

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**e. Intangibles**

Franchise Fees and other upfront payments have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The balance of Establishment costs have been written off as an expense this year in accordance with Accounting Standards.

**f. Cash**

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

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.

**g. Comparative Figures**

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

**h. Revenue**

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

**i. Provisions**

Provisions are recognised when the company has a legal, 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.

**j. Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement



**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition.
- b. less principal repayments,
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method, and
- d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**(i) Loans and receivables**

Loans and receivables are non-derivative assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

**(ii) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all utilised securities, including recent arms length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement. There was no impairment of financial instruments for the current year or subsequently.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**k. Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**l. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**Key estimates**

**(i) Impairment**

The company assesses impairment at each reporting date by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key judgments**

**(i) Provision for impairment of Receivables**

Directors have reviewed trade receivables at reporting date. No provision for impairment has been considered necessary.

**m. New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company follows:

- **AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]** (applicable for annual reporting periods commencing from 1 January 2009), AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Company's Board for the purpose of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. The Board does not presently believe impairment will result however.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If the Company has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

The company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the company's financial statements.

	<u>Note</u>	2009 \$	2008 \$
<b>2. Revenue</b>			
Operating activities			
- services commissions		1,826,139	1,481,602
- other revenue		81,834	90,559
Non-operating activities:			
- interest received	2a.	28,101	32,160
		<u>1,936,074</u>	<u>1,604,321</u>
(a) Interest received from:			
- other persons		<u>28,101</u>	<u>32,160</u>
<b>3. Profit for the Year</b>			
Borrowing expenses:			
- Interest paid		1,927	2,566
Depreciation of non-current assets:			
- plant and equipment		32,207	26,733
- motor vehicles		5,082	6,255
Amortisation of non-current assets:			
- intangibles		43,300	16,800

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**4. Income Tax Expense**

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expenses follows:

	Note	2009	2008
		\$	\$
Prima facie tax on profit/(loss) from ordinary activities at 30%		4,998	102,297
Franking Deficits Tax Payable		2,329	0
Add tax effect of:			
- Prior year tax losses not previously brought to account		0	0
- Future income tax benefit not brought to account		(4,998)	0
Income tax expense on operating profit/(loss)		2,329	102,297
<b>Tax liabilities</b>			
Current tax payable		48,062	119,827
 <b>5. Auditors' Remuneration</b>			
Remuneration of the auditor of the company for:			
- Audit or review of the financial report of the company		7,336	2,086
- Other services in relation to the company		0	0
		7,336	2,086
 <b>6. Cash and Cash Equivalents</b>			
Cash at bank and on hand		124,755	627,188
 <b>7. Trade and other Receivables</b>			
Current			
Receivables		15,585	63,596
Trade debtors		163,726	133,870
		179,311	197,466
Non-current			
Receivables		16,918	0
 <b>8. Property, Plant and Equipment</b>			
<i>Plant and equipment</i>			
At cost		782,826	402,276
Less accumulated depreciation		(188,176)	(155,969)
		594,650	246,307
 <i>Motor Vehicles</i>			
At Cost		39,463	39,463
Less accumulated depreciation		(17,439)	(12,357)
		22,024	27,106
Total Plant and Equipment		616,674	273,413

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

	Note	2009 \$	2008 \$
<b>Movements in carrying amounts</b>			
<i>Plant and equipment</i>			
Carrying amount at beginning of year		246,307	262,039
Additions		380,550	10,900
Disposals		0	0
Depreciation expense		(32,209)	(26,632)
Carrying amount at end of year		<u>594,648</u>	<u>246,307</u>
<i>Motor Vehicles</i>			
Carrying amount at beginning of year		27,106	33,361
Additions		0	0
Disposals		0	0
Depreciation expense		(5,082)	(6,255)
Carrying amount at end of year		<u>22,024</u>	<u>27,106</u>
Total carrying amount at end of year		<u>616,673</u>	<u>273,413</u>
<b>9. Intangible Assets</b>			
<i>Franchise Fees</i>			
Franchise Fees		70,000	70,000
Franchise Establishment Fees		170,000	234,594
At cost			
Less accumulated amortisation		(149,917)	(201,392)
		<u>90,083</u>	<u>103,202</u>
<i>I.T Software</i>			
At cost		30,491	7,600
Less accumulated amortisation		(8,556)	(6,000)
		<u>21,935</u>	<u>1,600</u>
		<u>112,018</u>	<u>104,802</u>
<b>10. Trade and Other Payables</b>			
Trade payables		0	5,806
Other creditors and accruals		67,728	92,259
		<u>67,728</u>	<u>98,065</u>

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

	Note	2009 \$	2008 \$
<b>11. Borrowings</b>			
<i>Current</i>			
Chattel Mortgage		10,977	10,977
Less unexpired term charges		<u>(1,015)</u>	<u>(1,797)</u>
		<u>9,962</u>	<u>9,180</u>
 <i>Non-current</i>			
Chattel Mortgage		9,829	20,806
Less unexpired term charges		<u>(146)</u>	<u>(1,161)</u>
		<u>9,684</u>	<u>19,645</u>
 <b>12. Provisions</b>			
<i>Short Term</i>			
Impairment of Future Cash Flows		13,065	0
Franking Deficits Tax		2,363	0
Lost Shareholders' Unclaimed Dividends		8,001	311
Employee benefits		<u>27,077</u>	<u>0</u>
		<u>50,506</u>	<u>311</u>
 <i>Long Term</i>			
Employee benefits		<u>21,996</u>	<u>27,411</u>
 <b>13. Issued Capital</b>			
624,750 (2008: 624,750) Ordinary Shares fully paid of \$1 each		624,750	624,750
Bonus Share Reserve		<u>(16,300)</u>	<u>(16,300)</u>
Contributed Equity		<u>608,450</u>	<u>608,450</u>

**14. Capital Management**

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its operations and that returns to shareholders and the community are maximised. The company ensures that the overall risk management strategy is in line with this objective.

The company operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The company's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the company's capital by assessing the Company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

There have been no changes to the strategy adopted by management to control the capital of the Company since the previous year. The strategy of the Company is to maintain a gearing ratio below 5%.

The gearing ratios for the years ended 30 June 2009 and 30 June 2008 are as follows:

	Note	2009 \$	2008 \$
Total borrowings	11	19,646	28,825
Less cash and cash equivalents	6	<u>124,755</u>	<u>627,188</u>
Net debt		(105,109)	(598,363)
Total equity		841,739	928,430
Total capital		<u><u>736,630</u></u>	<u><u>330,067</u></u>
Gearing ratio		NIL %	NIL %

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

	Note	2009 \$	2008 \$
<b>15. Cash flow Information</b>			
<i>(a) Reconciliation of cash</i>			
Cash assets		124,755	627,188
Bank overdraft		0	0
		124,755	627,188
 <i>(b) Reconciliation of profit after tax to net cash provided from/(used) in operating activities</i>			
Profit after income tax		14,331	225,006
Non cash items			
- Depreciation		37,289	32,887
- Amortisation		43,300	16,800
		94,920	274,693
Changes in assets and liabilities			
- (Increase) decrease in receivables		1,237	(12,923)
- Increase (decrease) in payables		(30,338)	37,612
- Increase (decrease) in provisions		44,779	99
- Increase (decrease) in tax liabilities		(71,766)	0
		(56,088)	(24,788)
Net cash flows from/ (used in) operating activities		38,832	299,481



**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**16. Related Party Disclosures**

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated. The names of directors who have held office during the financial year and shareholding of those directors and related entities are as follows:

	<b>2009</b>	<b>2008</b>
Ann Robilotta	25,000	25,000
John Ronald Hooton	6,000	6,000
Ewald Gerhard (Garry) Kuppe	15,000	15,000
Paul Vertullo	28,000	28,000
Frederick William Woodley	0	0
Helen Louise Weissenberger	2,000	2,000

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

During the year directors were paid an honorarium to reimburse costs incurred in the conduct of their duties. The collective total honorarium was \$19,000.

	<b>Gross Remuneration</b>	
	<b>2009</b>	<b>2008</b>
Key management personnel	\$139,008	\$96,413

**17. Events after the Balance Sheet Date**

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

**18. Contingent Assets and Liabilities**

There were no contingent assets nor liabilities at the date of this report requiring disclosure in the financial report.

**19. Segment Reporting**

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Gold Coast, Queensland.

**20. Registered office/Principal place of business**

The registered office and principal place of business is:

Shops 3 & 4  
42 Esplanade  
PARADISE POINT  
Queensland

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**21. Dividends**

	Note	2009 \$	2008 \$
Distributions paid:			
Declared fully franked ordinary dividend of 16.17 (2008: 11.3315) cents per share franked at the tax rate of 30% (2008: 30%)		101,022	70,794
Balance of franking account at year-end adjusted for franking credits arising from:			
- payment of provision for income tax dividends recognised as receivables, and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years.		22,500 (43,295)	20,558 (30,336)
		(2,363)	18,432

**22. Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable – minimum lease payments:

- not later than 12 months	248,875	143,884
- between 12 months and five years	477,457	228,327
- greater than five years	0	0
	726,332	372,211

The property leases are non-cancellable leases with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by amounts not exceeding CPI or 5% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years. Operating licences for ATM sites may have shorter terms.

**23. Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

	Note	2009 \$	2008 \$
Financial assets			
Cash and cash equivalents		124,755	627,188
Loans and receivables		196,229	197,466
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables		67,728	98,065
- borrowings		19,646	28,825

### **Financial Risk Management Policies**

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Director's on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2009.

The Board of Directors meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements.

### **Specific Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are interest rate margin risk and liquidity risk.

#### **(a) Interest rate margin risk**

Exposure to interest rate margin risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates may affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is managed using fixed rate debt. At 30 June 2009 100% of company debt is fixed. It is the policy of the group to keep between 80% and 100% debt on fixed interest rates.

There is no effective variable interest rate borrowings (ie unhedged debt). The Company is not exposed to interest rate risk which will impact future cash flows and interest charges.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward-looking cash flows analyses in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The Company's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. The Company has no bank overdrafts. The Company has no financial guarantee liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

Company	Within 1 Year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>Financial liabilities due for payment</b>	\$	\$	\$	\$	\$	\$	\$	\$
Bank overdrafts and loans	0	0	0	0	0	0	0	0
Trade and other payables (excluding est. annual leave)	10,977	10,977	9,829	20,806	0	0	20,806	31,783
Financial guarantees	0	0	0	0	0	0	0	0
<b>Total contractual outflows</b>	<b>10,977</b>	<b>10,977</b>	<b>9,829</b>	<b>20,806</b>	<b>0</b>	<b>0</b>	<b>20,806</b>	<b>31,783</b>
less bank overdrafts	0	0	0	0	0	0	0	0
<b>Total expected outflows</b>	<b>10,977</b>	<b>10,977</b>	<b>9,829</b>	<b>20,806</b>	<b>0</b>	<b>0</b>	<b>20,806</b>	<b>31,783</b>
<b>Financial Assets - cash flows realisable</b>								
Cash and cash equivalents	124,755	627,188	0	0	0	0	124,755	627,188
Trade, term and loan receivables	204,311	197,466	0	0	0	0	204,311	197,466
Other investments	0	0	0	0	0	0	0	0
<b>Total anticipated inflows</b>	<b>329,067</b>	<b>824,654</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>329,067</b>	<b>824,654</b>
<b>Net (outflow) / inflow on financial instruments</b>	<b>318,090</b>	<b>813,677</b>	<b>(9,829)</b>	<b>(20,806)</b>	<b>0</b>	<b>0</b>	<b>308,261</b>	<b>792,871</b>

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**Financial Assets pledged as collateral**

No financial assets have been pledged as security for debt.

**Foreign exchange risk**

(c) The Company is not exposed to fluctuations in foreign currencies.

**Credit risk**

(d) The Company has no exposure to credit risk relating to financial assets arising from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed and reviewed regularly by the Board of Directors.

Risk is also minimised through investing surplus funds in Federal Government Guaranteed Bank Deposits.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counterparty credit ratings.

Note	2009 \$	2008 \$
Cash and cash equivalents		
— AA Rated	124,755	627,188
— A Rated	0	0
	124,755	627,188

**Impairment of Future Cash Flows**

The company has provided for a possible Impairment of Future Cash Flow in the event of the Company having a responsibility to contribute to non recoverable debtors of the Franchisor

13,065	0
--------	---

**(e) Price risk**

The company is not exposed to any material commodity price risk.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**Net Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which are carried at cost (i.e. term receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Company.

	Footnote	2009		2008	
		Net Carrying Amount \$	Net Fair Value \$	Net Carrying Amount \$	Net Fair Value \$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	124,755	124,755	627,188	627,188
Trade and other receivables	(i)	204,311	204,311	197,466	197,466
Loans and advances – related parties	(ii)	0	0	0	0
Investments – available for sale	(iii)	0	0	0	0
<b>Total financial assets</b>		<b>329,066</b>	<b>329,066</b>	<b>824,654</b>	<b>824,654</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	62,727	62,727	98,065	98,065
Bills of exchange and promissory notes	(iv)	19,646	19,646	28,825	28,825
Lease liability	(v)	0	0	0	0
Bank debt	(v)	0	0	0	0
<b>Total financial liabilities</b>		<b>82,373</b>	<b>82,373</b>	<b>126,890</b>	<b>126,890</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave which is not considered a financial instrument.
- (ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates.
- (iii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used. The directors have determined that the fair values of unlisted available-for-sale financial assets at reporting date can be reliably measured, as there is an active market for these investments.
- (iv) Discounted cash flow models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.
- (v) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate bank debt will differ to carrying values.

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Notes to the Financial Statements**  
**For year ended 30 June 2009**

**Note 24: Correction of Prior Period Error**

a) During the completion of the 2009 Financial Report, it was identified that the 2008 Provision for Dividend was only declared subsequent to 30 June 2008. This error has resulted in the restatement of the following line items for the year ended 30 June 2008:

- Short term provisions decreased by \$101,022.
- Retained earnings increased by \$101,022.

**b) Financial Report Line Item/ Balance Affected**

	<b>Actual 2008 \$</b>	<b>Correction \$</b>	<b>Restated Actual 2008 \$</b>
<u>Balance Sheet Extract</u>			
Short term provisions	101,333	(101,022)	311
Total Current Liabilities	328,405	(101,022)	227,383
Total Liabilities	375,461	(101,022)	274,439
Retained Earnings	218,958	101,022	319,980
Total Equity	827,408	101,022	928,430

**Paradise Point Financial Services Limited**  
**ABN 33 095 686 936**  
**Directors' Declaration**

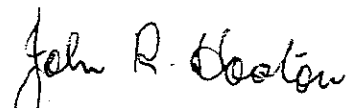
In accordance with a resolution of the Directors of Paradise Point Financial Services Limited; the Directors declare that:

In the opinion of the directors:

- (a) The financial statements and notes of the company comprising Income Statement, balance Sheet, Cash Flow Statement, Statement of Change in Equity and Notes to the Financial Statements 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 financial performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia
- (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.

  
ANN ROBILOTTA, Chairperson

23 September 2009

  
JOHN HOOTON, Director



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PARADISE POINT FINANCIAL SERVICES LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Paradise Point Financial Services Limited (the company) which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

*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 establishing and maintaining internal control 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.

*Auditors' 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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.

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 complied with the independence requirements of the Corporations Act 2001.

*Basis for Qualified Auditors' Opinion*

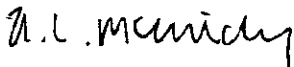
We were not the appointed auditor for the company for the year ended 30 June 2008. Accordingly and furthermore, we have not been in a position to satisfy ourselves in relation to the comparative financial information nor the opening retained equity amount carried forward.

*Qualified Auditors' Opinion*

In our opinion, except for the effect, if any, of the matter described in the preceding paragraph, the financial report of Paradise Point 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 performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**WILLIAMS PARTNERS  
INDEPENDENT AUDIT SPECIALISTS**



ANDREA MCKIRDY BBus CPA RCA  
PARTNER  
Registered Company Auditor No. 278326

Dated this 17<sup>th</sup> day of September 2009

4 Helensvale Road  
Helensvale Qld 4212

g: PO Box 1463 Oxenford QLD 4210      a: 4 Helensvale Road Helensvale QLD 4212

t: 07 5580 4700      f: 07 5580 4777

e: info@wpias.com.au      w: www.wpias.com.au      a: 83 047 421 326

Liability limited by a scheme approved under Professional Standards Legislation