Pinjarra Community
Financial Services Limited
ABN 31 097 389 547

2008 annualreport

Contents

Chairman's report

For year ending 30 June 2008

For year ending 30 June 2008.

The year has proved to be both challenging and rewarding for all involved with Pinjarra Community Financial Services Limited. The shareholders received an enhanced dividend while the wider community enjoyed significant support through grants and sponsorships.

In deciding not to relocate into the new Pinjarra Junction Shopping Centre, but to open a full sub Branch in Waroona, the Board are confident that it will prove to be a sound investment.

It cannot be understated that our staff are the most important asset of Pinjarra Community Financial Services Limited. Without them, this business simply would not exist, let alone thrive and grow, as it has over the past 12 months.

On behalf of the Board, I would like to thank Donna Olney and Amanda Kaufman for their professionalism and wish them well in their new ventures. I would also like to thank my predecessor, Malcolm Kentish who has resigned from the Board, for his commitment and leadership over the past seven years.

The Board has also welcomed three new members of staff and three new Directors on to the team, all of whom bring diverse but valuable experience, energy and enthusiasm.

We look forward to consolidating our **Community Bank®** with the appointment of a new Manager, the refurbishment of the Pinjarra premises and the expansion of the Waroona sub Branch to five day trading in the coming year.

Michael Faro

Manager's report

For year ending 30 June 2008

For year ending 30 June 2008

It has been yet another successful year for the Pinjarra **Community Bank®** Branch. We now hold more than 3,600 accounts and over $75.1 million in banking business. This represents a growth of over 300 new accounts and $12.3 million in funds under management compared to the 2006/07 financial year. Our portfolio also continues to be divided relatively evenly between deposit and lending accounts.

We have had several staff changes during the last year. Branch Manager, Donna Olney, has left our branch and is now employed at Halls Head **Community Bank®** Branch as a Lending Officer. Customer Service Officer, Amanda Kaufman, also left the employment of the Company. We would like to take this opportunity to wish both Donna and Amanda all the best in their future endeavours.

We have also employed two new Customer Service Officers, Jade Kelly and Donna Davis. Both of these staff were appointed for the opening of the Waroona Sub Branch. This Sub Branch was opened on 23 June 2008. Louise Rice, our Customer Relationship Officer at Pinjarra was promoted to Customer Service Manager and is now located at the Waroona Sub Branch during the days that this office is open. The Sub Branch is open Monday and Wednesday 10am to 4pm and Friday 11am to 5pm and is located at 83 South Western Highway, Waroona, WA 6215. The branch can be contacted on (08) 9733 3498.

The Waroona Sub Branch has been an exciting challenge for all involved and we look forward to providing 'face to face' banking to the Waroona community, of which many of our existing customers are part of.

I wish to thank our dedicated team of staff that continue to deliver high standards of customer service, even through the turbulent time we have had during the past few months due to staff movement. Without their efforts the Company would not have been able to contribute as greatly to the community, which inturn is a vast benefit for all.

The Board of Management has also supported us immensely during this time and we are extremely appreciative of this. Their commitment to the Company is second to none which makes for an even more successful venture.

Last but certainly not least, I would also like to thank all our loyal customers for their continued support. Without which we would not have the means to give back to the community and this is one of our first and foremost reasons for being.

Renae Bannear
Branch Manager (Acting)

Directors' report

For year ending 30 June 2008

Your Directors present their report on the Company for the year ended 30 June 2008.

Directors

The names of Directors in office at any time during or since the end of the year are:

Michael Peter Faro
Chairman
Registered Migration Agent
Small Business Owner, Registered Migration Agent
None
-

Ernest Albert Hiddlestone
Non-Executive Director
Self Employed Contractor
37 years as a School Teacher and 15 years a School Deputy Principal
None
300 shares

Brian Arthur Morrell
Non-Executive Director
Agricultural Contracting Hand
Outdoor Adventure Activities Leader, Farmhand, WYLD Program Assistant, Trainer, Instructor, Climbing and Adventure Guide, Youth group Leader
None
-

Monica Rae Bermingham
Company Secretary/Non-Executive Director
Self Employed/Semi Retired
Extensive clerical, Managerial, office background also farming, mining industry, human resources, community organisations.
None
1,051 shares

Evelyn Stagg (Appointed 24 July 2007)
Non-Executive Director
Retired
Moved as an independent retiree to WA in 2002, interest travel and dance. Had a data input business in the UK.
None
Nil

Barbara Dimasi (Appointed 22 April 2008)
Non-Executive Director
Business Manager
Business owner/Manager for 14 years, dental nursing
None
Nil

Rosemarree Reynolds (Appointed 22 April 2008)
Non-Executive Director
Project Cost Controller
24 years in Banking, Accounting, Cost control and Administration, Community organisations
None
Nil

Noel Henry Nancarrow (Resigned 14 November 2007)
Non-Executive Director
Shire President
Justice of Peace, Shire Councillor for 17 years – 12 of these as Shire President.
None
3,451 shares

Directors' report continued

Nola Louise Edwards **(Resigned 19 December 2007)**
Non-Executive Director
Community Development Manager Bendigo Bank
12 years financial services industry experience

None
200 shares

Malcolm Charles Kentish **(Resigned 16 May 2008)**
Non-Executive Director
Business Proprietor
Owned and operated business in Pinjarra since 1990.
None
2,051 shares

Company Secretary

Monica Rae Bermingham

Directors meetings attended

During the financial year, 12 meetings of Directors were held. Attendances by each Director during the year were as follows:

Names of Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Noel Henry Nancarrow	4	1
Malcolm Charles Kentish	10	9
Monica Rae Bermingham	12	12
Nola Louise Edwards	5	3
Ernest Albert Hiddlestone	12	11
Michael Peter Faro	12	12
Brian Arthur Morrell	12	9
Evelyn Stagg	12	11
Barbara Dimasi	3	2
Rosemarree Reynolds	3	3

Principal activity and review of operations

The principal activity and focus of the Company's operations during the year was the operation of a Branch of Bendigo Bank, pursuant to a franchise agreement.

Operating results

The profit of the Company after providing for income tax amounted to $125,867.

Dividends paid or recommended

The Company did not pay or declare any dividends during the year.

Directors' report continued

Financial position

The net assets of the Company at year end were $313,565, which is an improvement on prior year due to the improved operating performance of the Company.

The Directors believe the Company is in a stable financial position.

Significant changes in 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 these financial statements.

After balance date events

No matters or circumstances have arisen since the end of the financial year that 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 financial years.

Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Remuneration report

This report details the nature and amount of remuneration for each key management person of the Company, and for the Executives receiving the highest remuneration.

Remuneration of Directors or Executives

No income was paid or was payable or otherwise made available, to the Directors or Executives of the Company during the years ended 30 June 2008 and 30 June 2007.

Remuneration policy

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between Directors, Executives and shareholders

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), and superannuation.

- The Board reviews key management personnel packages annually by reference to the Company's performance, Executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each Executive and is based predominantly on the forecast growth of the Company's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives and bonuses, which must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals may have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed.

Performance-based remuneration

As part of each key management personnel's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the areas each key management personnel is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Company expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the Company and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Company's goals and shareholder wealth, before the KPIs are set for the following year

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures.

Company performance, shareholder wealth and Executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Executives. The method applied in achieving this aim is a performance based bonus based on key performance indicators. The Company believes this policy to have been effective in increasing shareholder wealth over the past years.

Key management personnel remuneration policy

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

Directors’ report continued

The employment conditions of the key management personnel are formalised in contracts of employment. All Executives are permanent employees of the Company.

The employment contracts stipulate a resignation periods. The Company may terminate an employment contract without cause by providing appropriate written notice or making payment in lieu of notice, based on the individual’s annual salary component together with a redundancy payment. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Performance income as a proportion of total remuneration

Executives are paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The Board has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Company.

The Board will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years’ incentives as they see fit, to ensure use of the most cost effective and efficient methods.

Options

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

The Directors and Executive do not own any options over issued shares or interests in the Company at the date of this report.

Indemnifying officers or Auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an officer, but not an Auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Share 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.

Environmental issues

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

Proceedings on behalf of 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.

Directors' report continued

Corporate governance

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

a) Director approval of operating budgets and monitoring of progress against these budgets;

b) Ongoing Director training; and

c) Monthly Director meetings to discuss performance and strategic plans

The Company has not appointed a separate audit committee due to the size and nature of operations. The normal functions and responsibilities of an audit committee have been assumed by the Board.

Non-audit services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2002. The Directors are satisfied that the services disclosed below did not compromise the external Auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and
- the nature of the services provided do not compromise the general principles relating to Auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external Auditors during the year ended 30 June 2008:

Taxation services:	$5,000

Auditor's independence declaration

A copy of the Auditor's independence declaration is included within the financial statements.

This report is signed in accordance with a resolution of the Board of Directors.

Director

Dated this 3rd day of Ocotober 2008

RSM Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Pinjarra Community Financial Services Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J WALL
Partner

Perth, WA
Dated: 24 SEPTEMBER 2008

Financial statements

Income statement
For year ending 30 June 2008

	Note	2008 $	2007 $
Revenue	2	832,035	702,680
Employee benefits expense		(319,316)	(280,537)
Depreciation and amortisation expense		(21,927)	(26,849)
Finance costs		(4,870)	(1,859)
Other expenses	3	(295,051)	(271,943)
Profit before income tax		190,871	121,492
Income tax expense	4	(65,004)	(38,197)
Profit attributable to members		**125,867**	**83,295**
Overall operations			
Basic profit per share (cents per share)		32.0	21.18
Diluted profit per share (cents per share)		32.0	21.18

The accompanying notes form part of these financial statements.

Balance sheet
As at 30 June 2008

	Note	2008 $	2007 $
Current assets			
Cash and cash equivalents	5	142,366	190,549
Trade and other receivables	6	78,050	68,444
Other current assets	7	5,187	5,723
Total current assets		**225,603**	**264,716**
Non-current assets			
Property, plant and equipment	8	129,185	40,289
Intangible assets	9	53,834	44,167
Deferred tax asset	22	4,248	42,861
Total non-current assets		**187,267**	**127,317**
Total assets		**412,870**	**392,033**
Current liabilities			
Trade and other payables	10	58,488	147,386
Financial liability	11	1,822	22,197
Short-term provisions	12	7,575	10,779
Current tax liability	22	24,836	-
Total current liabilities		**92,721**	**180,362**
Non-current liabilities			
Financial liability	11	-	18,707
Long-term provisions	12	6,584	5,266
Total non-current liabilities		**6,584**	**23,973**
Total liabilities		**99,305**	**204,335**
Net assets		**313,565**	**187,698**
Equity			
Issued capital	13	385,805	385,805
Accumulated losses		(72,240)	(198,107)
Total equity		**313,565**	**187,698**

The accompanying notes form part of these financial statements.

Statement of cash flows
As at 30 June 2008

	Note	2008 $	2007 $
Cash flows from operating activities			
Receipts from customers		819,154	677,756
Payments to suppliers and employees		(675,052)	(484,833)
Interest received		3,275	708
Borrowing costs paid		(4,871)	(1,859)
Income tax paid		(1,555)	-
Net cash provided by operating activities	**14(a)**	**140,951**	**191,772**
Cash flows from investing activities			
Payments for franchise fee		(20,000)	(50,000)
Payments for plant and equipment		(100,490)	(31,109)
Net cash used in investing activities		**(120,490)**	**(81,109)**
Cash flows from financing activities			
Repayment of borrowings		(39,082)	(14,562)
Proceeds from borrowings		-	40,000
Dividends paid		(29,562)	(27,591)
Net cash used in financing activities		(68,644)	(2,153)
Net increase/(decrease) in cash held		(48,183)	108,510
Cash held at the beginning of the financial year		**190,549**	**82,039**
Cash held at the end of the financial year	**5**	**142,366**	**190,549**

The accompanying notes form part of these financial statements.

Statement of changes in equity
As at 30 June 2008

	Share Capital (Ordinary shares)	Accumulated losses	Total
Balance at 1 July 2006	385,805	(224,249)	161,556
Profit attributable to the members of the Company	-	83,295	83,295
Dividends paid or provided	-	(57,153)	(57,153)
Balance at 30 June 2007	**385,805**	**(198,107)**	**187,698**
Balance at 1 July 2007	385,805	(198,107)	187,698
Profit attributable to the members of the Company	-	125,867	125,867
Balance at 30 June 2008	**385,805**	**(72,240)**	**313,565**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Statement of significant accounting policies

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

The financial report covers Pinjarra Community Financial Services Limited as an individual entity. Pinjarra Community Financial Services Limited is a public Company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense 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 (assets) are therefore measured at the amounts expected to be paid to (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 as unused tax losses.

Current and deferred income tax expense (income) 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.

Note 1. Summary of significant accounting policies (continued)

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.

Current tax assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value 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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 group 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 building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity 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
Plant and equipment	20%

Note 1. Summary of significant accounting policies (continued)

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 or 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.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

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

Note 1. Summary of significant accounting policies (continued)

are derecognised where the related obligations are either discharged, cancelled or expire. 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.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

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

iii. Held-to-maturity investments

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

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial Liabilities

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

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Note 1. Summary of significant accounting policies (continued)

The Company does not hold any derivative instruments.

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 un securities, including recent arm's 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.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the Company gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The Company has not issued any financial guarantees.

(e) 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 group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Intangibles

Franchise fee

The franchise fee paid by the Company pursuant to a Franchise Agreement with Bendigo Bank is being amortised over the initial five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Employee benefits

Note 1. Summary of significant accounting policies (continued)

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(j) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 1. Summary of significant accounting policies (continued)

(m) Comparative figures

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

(n) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments 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 — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2008. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2008 amounting to $53,834.

(o) Authorisation for financial report

The financial report was authorised for issue on 24 September 2008 by the Board of Directors

his general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

Note 2. Revenue

	2008 $	2007 $
Franchise margin income	825,743	701,972
Interest revenue	3,275	708
Other revenue	3,017	-
	832,035	**702,680**

Note 3. Expenses

	2008 $	2007 $
Advertising and marketing	11,361	10,783
ATM leasing and running costs	44,874	34,616
Bad debts	2	129
Community sponsorship and donations	3,385	45,627
IT leasing and running costs	41,311	40,082
Insurance	14,768	13,779
Occupancy running costs	17,645	19,763
Postage and freight	7,179	7,054
Printing and stationery	20,322	14,221
Rental on operating lease	41,940	32,504
Other operating expenses	92,264	53,385
	295,651	**271,943**
Remuneration of the Auditors of the Company		
Audit services	5,250	5,996
Other Services	5,000	4,100
	10,250	**10,096**

Notes to the financial statements continued

	2008 $	2007 $

Note 4. Income tax expense

a) The components of tax expense comprise:

Current tax	26,390	-
Deferred tax (Note 22)	566	(1,789)
Recoupment of prior year tax losses	38,048	39,986
	65,004	**38,197**

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

Prima facie tax payable on profit before income tax at 30% (2007: 30%)	57,261	36,546
Add:		
Tax effect of:		
æ non-deductible depreciation and amortisation	3,100	3,000
æ other non-allowable items	4,643	59
Less:		
Tax effect of:		
æ other allowable items	-	(1,408)
Income tax attributable to the Company	**65,004**	**38,197**

At balance date, the Company had tax losses of nil (2007: $126,827) which are available to offset future years' taxable income.

The future income tax benefit of these tax losses is nil (2007: $38,048).

Note 5. Cash and cash equivalents

The components of tax expense comprise:

Cash at bank and in hand	142,366	190,549

Note 6. Trade and other receivables

Trade debtors	78,050	68,444

	2008 $	2007 $

Note 7. Other assets

Current

Prepayments	5,187	5,723

Note 8. Property, plant and equipment

Plant and Equipment

Cost	265,476	164,986
Accumulated depreciation	(136,291)	(124,697)
	129,185	**40,289**
Movement in carrying amount		
Balance at the beginning of the year	40,289	26,028
Additions	100,490	31,109
Depreciation expense	(11,594)	(16,848)
Carrying amount at the end of the year	**129,185**	**40,289**

Note 9. Intangible assets

Franchise fee

Cost	120,000	100,000
Accumulated amortisation	(66,166)	(55,833)
	53,834	**44,167**

Pursuant to a five year franchise agreement with Bendigo Bank, the Company operates a branch of Bendigo Bank, providing a core range of banking products and services.

Note 10. Trade and other payables

Trade creditors and accruals	42,955	64,706
GST payable	13,394	53,118
Dividend payable	2,139	29,562
	58,488	**147,386**

	2008 $	2007 $

Note 11. Financial liabilities

	2008 $	2007 $
Current		
Chattel mortgage	1,822	7,029
Mortgage loan	-	15,168
	1,822	**22,197**
Non current		
Chattel mortgage	-	1,846
Mortgage loan	-	16,861
	-	**18,707**

Security:

The mortgage loan was secured by a floating charge over the Company's assets.

Note 12. Provisions

	2008 $	2007 $
Current		
Provision for employee entitlements	7,575	10,779
Non current		
Provision for employee entitlements	6,584	5,266

Note 13. Equity

	2008 $	2007 $
393,160 (2007: 393,160) fully paid ordinary shares	393,160	393,160
Cost of rasing equity	(7,355)	(7,355)
	385,805	**385,805**

	2008 $	2007 $

Note 14. Cash flow information

a) Reconciliation of cash flow from operations with profit after tax

	2008 $	2007 $
Profit after tax	125,867	83,295
Depreciation and amortisation	21,927	26,849
Movement in assets and liabilities		
Receivables	(9,606)	(24,216)
Other assets	536	(1,231)
Deferred tax asset	38,613	38,197
Payables	(59,336)	62,914
Provisions	(1,886)	5,964
Current tax liability	24,836	-
Net cash provided by/(used in) operating Activities	**140,951**	**191,772**

b) Credit Standby Arrangement and Loan Facilities

The Company does not operate a bank overdraft facility.

Note 15. Related party transactions

The related parties have not entered into a transaction with the Company during the financial years ended 30 June 2008 and 30 June 2007.

Note 16. Leasing commitments

Non cancellable operating lease commitment contracted for but not capitalised in the financial statements.

	2008 $	2007 $
Payable		
Not longer than 1 year	36,967	36,967
Longer than 1 year but not longer than 5 years	79,561	116,528
	116,528	**153,495**

Note 17. Dividends

Distributions paid

	2008 $	2007 $
Interim unfranked ordinary dividend paid (2007: 7) cents per share	-	27,591
Final unfranked ordinary dividend declared (2007: 7.5) cents per share	-	29,562
	-	**57,153**

Note 18. Financial instruments

a. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market i nstruments, short-term investments, accounts receivable and payable, loans, bills and leases.

The Directors' 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 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 2008.

b. Financial Risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

ii. Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies.

Iii. Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

iv. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2008.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Credit risk is managed reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and

Note 18. Financial instruments (continued)

- customers that do not meet the Company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2008 and 30 June 2007 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

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

c. Financial Instrument Composition and Maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

2008						
		Variable	Fixed			
	Weighted Average Effective Interest Rate	Floating Interest Rate	Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	Total
Financial Assets						
Cash and cash equivalents		142,166	-	-	200	142,366
Loans and receivables		-	-	-	78,050	78,050
Total Financial Assets		142,166	-	-	78,250	220,416
Financial Liability						
Bank loan secured	7.9%	-	1,822	-	-	1,822
Trade and other payables		-	-	-	56,349	56,349
Total Financial Liabilities		-	1,822	-	56,349	58,171

Note 18. Financial instruments (continued)

2007						
		Variable	Fixed			
	Weighted Average Effective Interest Rate	Floating Interest Rate	Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	Total
Financial Assets						
Cash and cash equivalents	0.25%	190,349	-	-	200	190,549
Loans and receivables		-	-	-	68,444	68,444
Total Financial Assets		190,349	-	-	68,644	258,993
Financial Liability						
Bank loan secured	7.9%	-	22,197	18,707	-	40,904
Trade and other payables		-	-	-	117,824	117,824
Total Financial Liabilities		-	22,197	18,707	117,824	158,728

	2008 $	2007 $
Trade and sundry payables are expected to be paid as followed:		
Less than 6 months	56,349	117,824

d. Net Fair Values

The net fair values of investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Fair values are materially in line with carrying values.

e. Sensitivity Analysis

i. Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

ii. Interest Rate Sensitivity Analysis

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

2008					
		-2 %	+ 2%		
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial Assets					
Cash and cash equivalents	142,166	(2,843)	(2,843)	2,843	2,843

2007					
		-2 %	+ 2%		
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial Assets					
Cash and cash equivalents	190,349	(3,807)	(3,807)	3,807	3,807

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The Company has no exposure to fluctuations in foreign currency.

Note 19. Segment reporting

The Company operates in the financial services sector as a branch of Bendigo Bank in Western Australia.

Note 20. Events after the balance sheet date

$100,000 loan was taken up on 17 July 2008.

There where no other matters or circumstances have arisen since the end of the financial year that 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 subsequent financial years.

Note 21. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at the reporting date.

	2008 $	2007 $

Note 22. Tax

Liability

Current

Income tax	24,836	-

Assets

Deferred tax assets comprise:

Provisions	4,248	4,813
Other	-	38,048
	4,248	**42,861**

Reconciliations

i. Gross Movements

The overall movement in the deferred tax account is as follows:

Opening balance	42,861	81,058
Charge/(credit) to income statement	(38,613)	(38,197)
Closing balance	**4,248**	**42,861**

ii. Deferred Tax Assets

The movement in deferred tax assets for each temporary difference during the year is as follows:

Provisions

Opening balance	4,813	3,024
Credited to the income statement	(565)	1,789
Closing balance	**4,248**	**4,813**

Other

Opening balance	38,048	78,034
Credited to the income statement	(38,048)	(39,986)
Closing balance	**-**	**38,048**

Note 23. Key management personnel compensation

a)Names and positions

Name	**Position**
Michael Peter Faro	Chairman
Malcolm Charles Kentish	Chairman (Retired)
Noel Henry Nancarrow	Vice Chairman (Retired)
Monica Rae Bermingham	Non-Executive Director
Nola Louise Edwards	Non-Executive Director
Ernest Albert Hiddlestone	Non-Executive Director
Brian Arthur Morrell	Non-Executive Director
Evelyn Stagg	Non-Executive Director
Barbara Dimasi	Non-Executive Director
Rosemarree Reynolds	Non-Executive Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

b) Options provided as remuneration and shares issued on exercise of such options

No options were provided as remuneration or shares issued on exercise of options.

c) Option holdings

No options over ordinary shares in the Company are held by any Director of the Company or other key management personnel, including their personally related parties.

d) Shareholdings

Number of ordinary shares held by key management personnel.

2008				
	Ordinary Shares			
Directors	Balance at beginning of period	Purchased during the period	Other changes	Balance at end of period
Noel Nancarrow	3,451	-	-	3,451
Malcolm Kentish	2,051	-	-	2,051
Monica Bermingham	1,051	-	-	1,051
Nola Edwards	200	-	-	200
Ernest Hiddlestone	300	-	-	300
Michael Faro	-	-	-	-
Brian Morrell	-	-	-	-
Nola Edwards	-	-	-	-
Evelyn Stagg	-	-	-	-
Barbara Dimasi	-	-	-	-
Rosemarree Reynolds	-	-	-	-
	7,053	-	-	7,053

Notes to the financial statements continued

Note 24. Changes in accounting policy

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009
	AASB 6	Exploration for and Evaluation of Mineral			
	AASB 102	Inventories			
	AASB 107	Cash Flow Statements			
	AASB 119	Employee Benefits			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
	AASB 1023	General Insurance Contracts			
	AASB 1038	Life Insurance Contracts			
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	1.1.2009	1.7.2009

AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.7.2009

Note 25. Company details

The registered office and principal place of business of the Company is:

7C George Street

Pinjarra WA 6208

Director’s declaration

The Directors of the Company declare that:

1. the acCompanying financial statements and notes are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standard and the Corporations Regulations 2001; and

    b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. in the Directors’ opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable:

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Dated this 3rd day of Ocotober 2008

Independent audit report

RSM! Bird Cameron Partners
Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Pinjarra Community Financial Services Limited ("the company"), which comprises the balance sheet as at 30 June 2008 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, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes 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. In Note 1, the directors also state, that compliance with the Australian Accounting Standards ensures that the financial statements and notes, comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, 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*.

Auditor's Opinion

In our opinion:

(a) the financial report of Pinjarra Community Financial Services Limited is 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 2008 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the financial year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Pinjarra Community Financial Services Limited for the financial year ended 30 June 2008 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J WALL
Partner

Perth, WA
Dated: 24 SEPTEMBER 2008

BSX report

Share Information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 30 September 2008, which is within 6 weeks of this report being sent to shareholders.

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

Number of Shares Held	Number of Shareholders
1 to 1,000	184
1,001 to 5,000	75
5,001 to 10,000	7
10,001 to 100,000	2
100,001 and over	0
Total Shareholders	268

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the Company.

There are xx shareholders holding less than a marketable parcel of shares ($500 in value). There are no restricted securities on issue.

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

The following table shows the 10 largest shareholders.

Shareholder	Number of Shares	Percentage of Capital
Anne Marie Barrett	10,700	2.71
Margaret Ruth Ingpen	10,050	2.55
Graham John Cleghorn	10,000	2.54
Peggie Holland Davis	10,000	2.54
Darryal Francis Eastwell + Kathryn Valerie Eastwell	10,000	2.54
Michael Stuart Martin	10,000	2.54
Mary Ellen Nancarrow	10,000	2.54
Norma Tuckey	10,000	2.54
Reginald James Ross	5,050	1.28
Michelle Colice Cockel	5,000	1.27
	90,800	**23**

BSX report continued

Registered Office and Principal Administrative Office

The registered office of the Company is located at:

7C George Street

Pinjarra WA 6208

Phone (08) 95314470

The principal administrative office of the Company is located at:

6 Paterson Road

Pinjarra WA 6208

Phone (08) 95311063

Security Register

The security register (share register) is kept at:

Computershare Investor Services

452 Johnstone Street

Abbotsford VIC 3067

Phone 100 137 328

Company Secretary

Monica Bermingham has been Company Secretary for two years.

Monica Bermingham qualifications and experience include office management and small business owner.

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 Mike Faro, Monica Bermingham, Rosemarree Reynolds;

(b) Director approval of operating budgets and monitoring of progress against these budgets;

(c) Ongoing Director training; and

(d) Monthly Director meetings to discuss performance and strategic plans.

Annexure 3A

There are no material differences between the information in the Company's Annexure 3A and the information in the financial documents in its annual report.

Pinjarra **Community Bank**® Branch
7C George Street, Pinjarra WA 6208
Phone: (08) 9531 4470 Fax: (08) 9531 4480

Waroona branch of Bendigo Bank
83 South Western Highway, Waroona
Phone: (08) 9733 3498 Fax: (08) 9733 2227

Franchisee: Pinjarra Community Financial Services Limited
7C George Street, Pinjarra WA 6208
ABN 31 097 389 547

www.bendigobank.com.au/pinjarra
Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (KKW 8012) (10/08)