Plantagenet Community Financial Services Limited

ABN 89 096 387 816

Annual Report

2010

Contents

Bendigo Message ANNUAL REPORT 2010

Now in its 13th year, the Community Bank® network continues to grow and make significant contributions to local communities right across Australia.

In the 2009/10 financial year 22 new Community Bank® branches were opened, taking the total number of branches to 259.

More than 545,000 customers chose to support the network with their banking business made up of more than 788,000 accounts, giving the networks a combined banking book of more than $16.3 billion.

Our Community Bank® customers have been served by more than 1150 staff that are supported by almost 1700 volunteer directors.

And these directors are endorsed by around 63,000 shareholders who have received more than $14.7 million in dividends, a reward for their belief in the Community Bank® concept.

All of this support has enabled the Community Bank® network to return more than $40.3 million to assist local community groups and projects since the first Community Bank® branch opened in 1998.

These figures add up to a strong Community Bank® network, a franchise of the Bendigo and Adelaide Bank, which like its community partners, continues to flourish attracting more than 10,000 new customers every month.

This has been made possible through the restructure of the bank's executive team under the leadership of Managing Director, Mike Hirst.

At the start of 2010, the world's great economies continued to feel the aftershocks of the Global Financial Crisis. However, Australia's economy remained relatively stable during the turbulent times. While the impact of the GFC was felt by our community owned and operated branches, it is a testament to our business models and partners that our Community Bank® network continues to develop.

In fact, not only did our network continue to develop, in the past year we have witnessed one of our most successful launch programs to date. We saw a new branch emerge out of the ashes in Kinglake, less than a year after the region was devastated by Victoria's Black Saturday Bushfires.

The Pyrmont Community Bank® Branch saw us make an inroad into the competitive but lucrative Sydney banking market. And over the next 12 months Bendigo Bank will continue to grow its ATM and branch network in New South Wales, providing further support in boosting the profile of Bendigo's brand in the state.

This year we have also launched Community Snapshots on the Bendigo Bank website. This online initiative shares and highlights the great contributions and tangible outcomes the Community Bank® network generates for its local communities.

There has also been a focus on the continued roll out of our Good for Business, Good for Community program, which is an important element of our overall Community Strengthening for the coming year.

Thank you again for your continued commitment and support of the Community **Bank® network.**

Russell Jenkins
Executive Customer and Community

Chairman's report 30 June 2010

The Board of Plantagenet Financial Services Limited is very pleased to present the ninth Annual Report to shareholders. We have achieved a very respectable result, especially considering the difficult times the area has been going through with the collapse of the timber industry and difficult times for the wine industry; also farming apart from lambs has not been good. We have had moderate growth in the size of our business, but profitability has returned to near pre Global Financial Crisis days.

I would particularly like to thank our manager Leigh Wallace and his staff who have had to work particularly hard to handle the difficult times in the area and have achieved some pleasing results. The Board has worked well together and has achieved some good results, our grant and Sponsorship Program being well received in the community. I would also like to thank our new administrator Heather Bateman who has worked very hard. She has had big shoes to fill and a lot to learn and has coped very well with the challenge.

Our Walpole Agency continues to grow and has generated some very successful sponsorships. An ATM is to be installed shortly which will improve our service to its community.

Due to the support of shareholders and customers, we have been able so far this year to contribute over $74,000 in grants and sponsorships. This has gone to forty different organisations ranging from $17,000 to Overton to pay for half the cost of reverse cycle air conditioners in every room, to various sporting clubs, junior sports, guides, scouts, the RSL, defensive driving course for the High School, and other school projects. Our joint sponsorships with Albany and Tambellup/Cranbrook Community Bank® branches have been very successful, particularly the Primary and High School netball carnivals with about 440 kids competing at each event.

This year the Board has proposed an 8% fully franked dividend, a very respectable return to the shareholders, rewarding the faith we had in investing in the Community Bank® model.

Finally I would like to thank our customers who bank with us, without whom we would not be able to contribute so much to our community.

JHoward.

JOHN HOWARD - CHAIRMAN

Manager's report 30 June 2010

It gives me great pleasure to report another successful year of growth in our local Community Bank® branch during a year where local economic conditions continued to be a challenge.

The annual increase in accumulated business managed by Mount Barker Community Bank®Branch was in excess of budget expectations. This was achieved with strong lending growth, mainly attributed to our agribusiness and home loan sectors, which compensated for a decline in deposits mainly as a result of customers utilising funds to purchase properties or pay down debt. Our customer base also continues to grow at a steady rate.

Our point of difference being our strong support of local community combined with a broad and competitive range of products and services are integral to our ongoing success. Local people see and understand the benefits of supporting their local Mount Barker Community Bank® Branch.

Our Walpole Agency continues to provide an excellent banking service to that area, with local community groups and organisations being supported as a result of the business generated. The Agency operating hours have been extended from 4 days to 5 days a week and to further support the customers and tourists, an ATM has been approved for the town.

We are privileged to have a stable and dedicated branch staff team who continue to provide high level customer service based on the Bendigo and Adelaide Bank values of Teamwork, Integrity, Performance, Engagement, Leadership and Passion. I am proud of each and every one of them for their achievements, commitment and most of all, team spirit – Jenni Barlow, Rachell Clarke, Vicki Baker, Alana Thomson, Sharon Ansell, Carla Fulcher and not to forget Denise Poett who is on Maternity Leave. Such are the service standards provided by our staff, both Vicki and Rachell have been recognised by the Bank through the Being the Bendigo state wide award program.

A pleasing outcome of our success as a local business with sustained profitability is the reward to our shareholders and community by way of dividend payments, grants and sponsorships.

Our board led by Chairman John Howard, together with his fellow board members continue to explore opportunities and encourage community engagement for the benefit and sustainability of our community. These efforts have been recognised at Community Bank®State and National Conferences.

LEIGH WALLACE - MANAGER

Directors' report 30 June 2010

Your Directors submit their report of the Company for the financial year ended 30 June 2010.

Directors

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

John Reginald Howard
Chairman
Farmer

Garry Alexander McWilliam
Director
Business Proprietor
(Resigned 30/11/2009)

Elizabeth Van Zeyl
Director
Farmer

Jonathan Michael Fathers
Director
Manager

William Devant Bentley
Director
Farmer

Melanie Greeney
Director
Veterinary Assistant
(appointed 30/11/2009)

Geoffrey Thomas Jones
Company Secretary/Treasurer
Retired Farmer

Grant Cooper
Director
Farmer

Suzanne Etherington
Director
Business Proprietor

Lesley Forbes Righton
Director
Accountant

Michelle Moore
Director
Retired
(Appointed 30/11/2009)

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

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

Principal activities

The principal activities of the Company during the course of the financial year were in providing Community Bank® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operating results

Operations have continued to perform in line with expectations. The profit / (loss) after income tax expense for the Company for the financial year was $53,167 (2009: $50,716).

Dividends	Year ended 30 June 2010 Cents per share	 $'000
Final dividends recommended: fully franked	8	38,762
Dividends paid in the year:		
- Interim for the year	6	28,963
- As recommended in the prior year report	-	-

Directors' report continued

Significant changes in the state of affairs
In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

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

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

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

Indemnification and insurance of Directors and Officers
The Company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company also has Officers' insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officers' liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

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

Directors' meetings

The number of Directors' meetings attended during the year were:

Director	**Board meetings #**
John Reginald Howard	10 (11)
Geoffrey Thomas Jones	11 (11)
Garry Alexander McWilliam	0 (5)
Grant Cooper	7 (11)
Elizabeth Van Zeyl	11 (11)
Suzanne Etherington	8 (11)
Jonathan Michael Fathers	9 (11)
Lesley Forbes Righton	9 (11)
William Devant Bentley	8 (11)
Michelle Moore	7 (7)
Melanie Greeney	7 (7)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

Company Secretary
Geoffrey Jones has been the Company Secretary of Plantagenet Community Financial Services Ltd since 2005.

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.

Directors' report continued

Auditor Independence Declaration

The directors received the following declaration from the auditor of the company:

Lincolns

Accountants and Business Advisors

In relation to our audit of the financial report of Plantagenet Community Financial Services Ltd for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Russell Harrison
Partner
Lincolns
Albany

Signed in accordance with a resolution of the Board of Directors at Mount Barker on 13 October 2010.

John Howard	Geoffrey Jones
CHAIRMAN	SECRETARY/TREASURER

Financial statements 30 June 2010

Income Statement for the year ended 30 June 2010

	Notes	2010 $	2009 $
Revenue from ordinary activities	2	867,432	803,942
Employee benefits expense	3	(410,282)	(398,609)
Charitable donations and sponsorship		(118,094)	(82,851)
Depreciation and amortisation expense	3	(23,633)	(33,084)
Finance costs	3	(13,253)	(8,677)
Other expenses from ordinary activities		(225,248)	(207,600)
Profit/(loss) before income tax expense		76,922	73,121
Income tax expense	4	(23,755)	(22,405)
Profit/(loss) after income tax expense		53,167	50,716
Other comprehensive income			
Revaluation of property plant and equipment			
Income tax on other comprehensive income		-	-
Total comprehensive income		53,167	50,716
Earnings per share (cents per share)			
- basic for profit / (loss) for the year	23	10.97	10.47
- diluted for profit / (loss) for the year	23	10.97	10.47

The accompanying notes form part of these financial statements

Financial statements 30 June 2010

Balance Sheet as at 30 June 2010

	Notes	2010 $	2009 $
Current assets			
Cash and cash equivalents	6	112,851	76,789
Receivables	7	94,937	84,004
Loan Receivables	8	20,000	20,000
Prepayments			3,400
Total current assets		227,788	184,193
Non-current assets			
Property, plant and equipment	9	251,593	260,927
Loan Receivables	8	155,000	180,000
Deferred tax assets	4	2,064	4,409
Intangible assets	10	12,670	22,805
Other		118	118
Total non-current assets		421,445	468,259
Total assets		649,233	652,452
Current liabilities			
Payables	11	53,565	48,938
Loans and borrowings	12	45,317	43,357
Current tax payable	4	7,125	1,969
Provisions	13	40,828	39,912
Total current liabilities		146,835	134,176
Non-current liabilities			
Loans and borrowings	12	107,752	147,833
Total non-current liabilities		107,752	147,833
Total liabilities		254,587	282,009
Net assets		394,646	370,443
Equity			
Share capital	14	484,525	484,525
Retained earnings / (accumulated losses)	15	(89,879)	(114,082)
Total equity		394,646	370,443

The accompanying notes form part of these financial statements

Statement Of Cash Flows for the year ended 30 June 2010

	Notes	2010 $	2009 $
Cash flows from operating activities			
Cash receipts in the course of operations		863,084	803,559
Cash payments in the course of operations		(743,259)	(702,752)
Interest paid		(26,507)	(8,677)
Interest received		1,537	1,450
Income tax paid		(11,818)	(5,325)
Net cash flows from/(used in) operating activities	16b	83,037	88,255
Cash flows from investing activities			
Payment for intangible assets		-	-
Payments for property, plant and equipment		(4,190)	(4,417)
Net cash flows from/(used in) investing activities		(4,190)	(4,417)
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from borrowings		25,300	150,000
Payment for loan		(1,000)	(200,000)
Repayment of borrowings		(38,121)	(16,935)
Dividends paid		(28,964)	(41,185)
Net cash flows from/(used in) financing activities		(42,785)	(108,120)
Net increase/(decrease) in cash held		36,062	(24,282)
Cash and cash equivalents at start of year		76,789	101,071
Cash and cash equivalents at end of year	16a	112,851	76,789

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2010

	Notes	2010 $	2009 $
SHARE CAPITAL			
Balance at start of year		484,525	484,525
Issue of share capital		-	-
Share issue costs		-	-
Balance at end of year		484,525	484,525
Retained earnings / (accumulated losses)			
Balance at start of year		(114,082)	(123,613)
Profit/(loss) after income tax expense		53,167	50,716
Dividends paid	22	(28,964)	(41,185)
Balance at end of year		(89,879)	(114,082)

The accompanying notes form part of these financial statements

Notes to the financial statements

for the year ended 30 June 2010

1. Basis of preparation of the financial report

(a) Basis of preparation

Plantagenet Community Financial Services Limited ('the Company') is domiciled in Australia. The financial statements for the year ending 30 June 2010 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing Community Bank® services. The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements require judgements, estimates and assumptions to be made that affect the application of accounting policies. Actual results may differ from these estimates.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2009 financial statements.

Income tax

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

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

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

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

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

1. Basis of preparation of the Financial Report (continued)

Property, plant and equipment

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

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

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

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

Impairment

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

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

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

Revaluations

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

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

Recoverable amount of assets

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

Notes to the financial statements continued

1. Basis of preparation of the Financial Report (continued)

Goods and services tax

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the 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.

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 reporting date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

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

Intangibles

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

Cash

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

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

Comparative figures

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

Revenue

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

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

Receivables and payables

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

Loans and borrowings

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

Provisions

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

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

Share capital

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

2. Revenue from ordinary activities

	2010 $	2009 $
Operating activities		
- services commissions	865,895	802,490
- other revenue	-	-
Total revenue from operating activities	865,895	802,490
Non-operating activities:		
- interest received	1,537	1,450
- other revenue	-	2
Total revenue from non-operating activities	1,537	1,452
Total revenue from ordinary activities	867,432	803,942

3. Expenses

	2010 $	2009 $
Employee benefits expense		
- wages and salaries	348,985	345,910
- superannuation costs	56,218	43,227
- workers' compensation costs	1,660	1,890
- other costs	3,419	7,582
	410,282	398,609
Depreciation of non-current assets:		
- plant and equipment	9,711	11,764
- buildings	3,787	11,199
Amortisation of non-current assets:		
- intangibles	10,135	10,121
	23,633	33,084
Finance Costs:		
- Interest paid	13,253	8,677
Bad debts	48	544

4. Income tax expense

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

	2010	2009
Prima facie tax on profit/(loss) before income tax at 30%	(23,077)	(21,936)
Add tax effect of:		
- Non-deductible expenses	(678)	(469)
- Prior year tax losses not previously brought to account	-	-
- Future income tax benefit not brought to account	-	-
Current income tax expense	(23,755)	(22,405)
Origination and reversal of temporary differences	-	-
Deferred income tax expense	-	-
Income tax expense	(23,755)	(22,405)
Tax liabilities		
Current tax payable	7,125	1,969
Deferred tax assets		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	2,064	4,409

5. Auditors' remuneration

	2010 $	2009 $
Amounts received or due and receivable by Lincolns for		
- Audit or review of the financial report of the Company	6,500	5,450
- Completion of feasibility study	-	-
- Share registry services	-	-
- Accounting	4,500	1,170
	11,000	6,620

6. Cash and cash equivalents

	2010 $	2009 $
Cash at bank and on hand	112,851	76,789

7. Receivables

	2010 $	2009 $
GST receivable	15,390	8,250
Trade debtors	78,847	75,754
Loan S Ansell	700	
	94,937	84,004

8. Loan Receivables

	2010 $	2009 $
Current		
Loans to other parties	20,000	20,000
Non-Current		
Loans to other parties	155,000	180,000
	175,000	200,000

9. Property, plant and equipment

	2010 $	2009 $
Land		
Freehold land at cost	79,419	79,419
Buildings		
At cost	160,630	160,630
Less accumulated depreciation	(33,606)	(29,820)
	127,024	130,810
Plant and equipment		
At cost	127,104	123,763
Less accumulated depreciation	(81,954)	(73,065)
	45,150	50,698
Total written down amount	251,593	260,927
Movements in carrying amounts		
Buildings		
Carrying amount at beginning of year	130,810	140,573
Additions	-	1,436
Disposals	-	-
Depreciation expense	(3,787)	(11,199)
Carrying amount at end of year	127,023	130,810
Plant and equipment		
Carrying amount at beginning of year	50,698	59,481
Additions	4,190	2,981
Disposals	(27)	-
Depreciation expense	(9,711)	(11,764)
Carrying amount at end of year	45,150	50,698

10. Intangible assets

	2010 $	2009 $
Franchise fee		
At cost	100,000	100,000
Less accumulated amortisation	(87,500)	(77,500)
	12,500	22,500
Preliminary expenses		
At cost	1,032	1,032
Less accumulated amortisation	(862)	(727)
	170	305
	12,670	22,805

11. Payables

Trade creditors	14,665	10,331
Other creditors and accruals	38,900	38,607
	53,565	48,938

12. Loans and borrowings

Current		
Bank Loans - Secured	45,317	43,357
Non Current		
Bank Loans - Secured	107,752	147,833

Bank loans are repayable monthly with the final instalment due on June 2012, March 2014 and June 2012. Interest is recognised at an average rate of 8.45% (2009: 8.45%). The loans are secured by mortgage the freehold land and buildings and motor vehicle of the Company.

13. Provisions

Employee benefits	40,828	39,912

14. Share capital

484,525 Ordinary Shares fully paid of $1 each	484,525	484,525

Share Capital equal to share register held by ASIC.

15. Retained earnings / (accumulated losses)

Balance at the beginning of the financial year	(114,082)	(123,613)
Profit/(loss) after income tax	53,167	50,716
Dividends	(28,964)	(41,185)
Balance at the end of the financial year	(89,879)	(114,082)

16. Statement of cash flows

	2010 $	2009 $
(a) Cash and cash equivalents		
Cash assets	112,851	76,789
Bank overdraft	-	-
	112,851	76,789
(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	53,167	50,716
Non cash items		
- Depreciation	13,498	22,963
- Amortisation	10,135	10,121
- Loss on Sale of Plant	26	
Changes in assets and liabilities		
- (Increase) decrease in receivables	(3,093)	3,544
- Increase (decrease) in payables	(2,513)	(15,935)
- Increase (decrease) in provisions	8,417	20,247
- Increase (decrease) in prepayments	3,400	(3,400)
Net cashflows from/(used in) operating activities	83,037	88,256

17. Director and related party disclosures

The names of Directors who have held office during the financial year are:
John Reginald Howard
Geoffrey Thomas Jones
Garry Alexander McWilliam
Grant Cooper
Elizabeth Van Zeyl
Suzanne Etherington
Jonathan Michael Fathers
Lesley Forbes Righton
William Devant Bentley
Michelle Moore
Melanie Greeney
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.

Directors' shareholdings	2010	2009
John Reginald Howard	4,000	4,000
Geoffrey Thomas Jones	1,500	1,500
Garry Alexander McWilliam	1,300	1,300
Grant Cooper	1,600	1,600
Elizabeth Van Zeyl	1,000	1,000
Suzanne Etherington	1,000	1,000
Jonathan Michael Fathers	-	-
Lesley Forbes Righton	100	100
William Devant Bentley	1,000	1,000
Michelle Moore	-	-
Melanie Greeney	-	-

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

18. Subsequent events

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

19. Contingent liabilities

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

20. Segment reporting

The economic entity operates in the financial services sector were it provides banking services to its clients.

The economic entity operates in one geographic area being Mount Barker, WA.

21. Corporate information

Plantagenet Community Financial Services Ltd is a Company limited by shares incorporated in Australia.
The registered office is: 4 Short Street MOUNT BARKER
The principal place of business is: 4 Short Street MOUNT BARKER

22. Dividends paid or provided for on ordinary shares

	2010 $	2009 $
(a) Dividends proposed and recognised as a liability		
Franked dividends	-	-
(b) Dividends paid during the year		
(i) Current year interim		
Unfranked dividends - 6 cents per share (2009: 0 cents per share)	28,964	-
(ii) Previous year final		
Unfranked dividends (2009: 8.5 cents per share)	-	41,185
(c) Dividends proposed and not recognised as a liability		
Franked dividends - 8 cents per share	38,762	-
(d) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year	21,580	5,326
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	9,469	-
- Franking debits that will arise from the payment of dividends as at the end of the financial year	(16,784)	-
- Franking credits that will arise from the payment of dividends recognised as receivables at the reporting date	-	-
- Franking credits that the entity may be prevented from distributing in the subsequent year	-	-
	14,265	5,326

The tax rate at which dividends have been franked is 30% (2009: 30%). Dividends proposed will be franked at a rate of 30% (2009: 30%).

23. Earnings per share

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

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

	2010 $	2009 $
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit/(loss) after income tax expense	53,167	50,716
Weighted average number of ordinary shares for basic and diluted earnings per share	484,525	484,525

24. Financial risk management

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

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

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

(a) Credit risk

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

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

	Carrying amount	
	2010 $	2009 $
Cash assets	112,851	76,789
Receivables	94,937	84,004
	207,788	160,793

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

None of the assets of the Company are past due (2009: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

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

(b) Liquidity risk

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

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

24. Financial risk management (continued)

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

30 June 2010	Carrying amount $	Contractual cash flows $	1 year or less $	over 1 to 5 years $	more than 5 years $
Payables	53,565	53,565	53,565	-	-
Loans and borrowings	153,069	182,316	58,792	123,525	-
	206,634	235,881	112,357	123,525	-
30 June 2009					
Payables	48,938	48,938	48,938	-	-
Loans and borrowings	191,190	191,190	43,356	147,834	-
	240,128	240,128	92,294	147,834	-

(c) Market risk

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

Interest rate risk

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

Sensitivity analysis

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

	Carrying amount 2010 $	Carrying amount 2009 $
Fixed rate instruments		
Financial assets	175,000	200,000
Financial liabilities	19,017	24,656
	194,017	224,656
Variable rate instruments		
Financial assets	-	-
Financial liabilities	134,051	166,534
	134,051	166,534

24. Financial risk management (continued)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have minor impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2009 there was also minor impact. As at both dates this assumes all other variables remain constant.

(d) Net fair values

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

(e) Capital management

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

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

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

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2010 can be seen in the Statement of Comprehensive Income.

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

Directors' declaration 30 June 2009

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

In the opinion of the Directors:

(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2010.

CHAIRMAN

SECRETARY/TREASURER

Signed at Mount Barker on the 13th of October 2010.

Independent audit report

INDEPENDENT AUDIT REPORT

To: The members' of Plantagenet Community Financial Services Ltd.

Report on the Financial Report

I have audited the accompanying financial report of the Plantagenet Community Financial Services Ltd., which comprises the balance sheet as at 30 June 2010, 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 Plantagenet Community Financial Services Ltd are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and *Corporations Act 2001*. This responsibility includes designing, implementing 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.

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 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 Company, 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.

Independent audit report continued

Audit Opinion

In my opinion the financial report of Plantagenet Community Financial Services Ltd 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 2010 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.

Signature: ______________ Date: 14 October 2010

Auditor: Russell Harrison
Firm: Lincolns Accountants and Business Advisers
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ALBANY WA 6330

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