Mount Barker **Community Bank**® Branch

annual report 2012

Plantagenet Community Financial Services Limited

ABN 89 096 387 816

Contents

Chairman's report

For year ending 30 June 2012

As Chairman of Plantagenet Community Financial services I am very proud to present this, our 11th Annual Report. In spite of slow economic times, we are very pleased to report that our branch has done very well, exceeding budget expectations and again proving that the **Community Bank®** model provides a very successful business for our community. I think you will agree that we have exceeded all our expectations from when we started our **Community Bank®** branch. In total we have returned over $700,000 in sponsorships and dividends to our local community. Australia-wide this figure is now over $80 million from 297 **Community Bank®** branches.

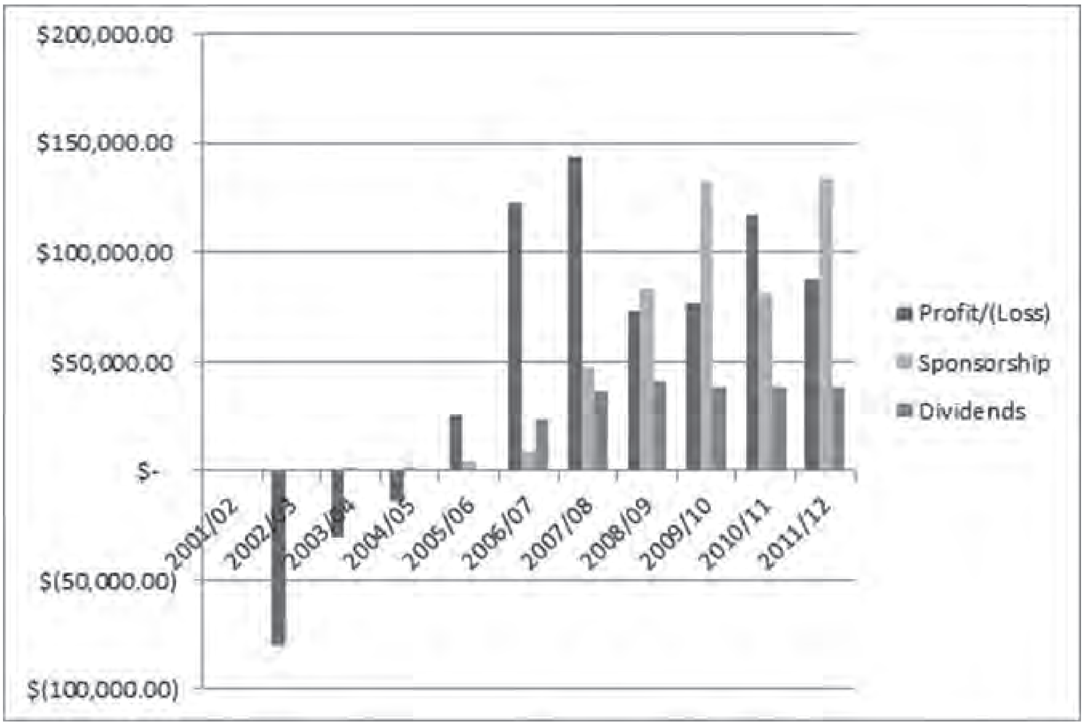
This year we have invested over $110,000 in sponsorships to a wide range of community organisations and nearly $40,000 in dividends. The Board has agreed that yet again we will pay an 8% fully franked dividend, a healthy return in today's climate.

Our Walpole Agency continues to make a strong contribution, with the ATM proving to be a popular service to visitors and its community.

These achievements could not have been made without the efforts of our dedicated staff, particularly Leigh Wallace our Manager, our friendly hard-working and efficient staff, without whom we could not have achieved the success that we have.

I would also like to thank my Board of Directors who have put in many hours of voluntary effort helping to strengthen our community in the many local projects that we have helped support. Our Junior Observer Rachel Handasyde has been a great contributor from her position of also being head girl at the Community College.

Some of our proudest achievements have been the much needed new covered area at the Community College that is already well utilised, the Sun Room at Banksia Lodge that we assisted the Lions Club in building, the Kendenup Primary School chess team who won their zone and the State Competition and coming eighth in the Australasian Championship in Melbourne. They have already won the Zone Competition for this year, a great result for a little country school. The defensive driving course for the year twelves continues to be popular and several other school projects, various sporting groups, the Mt Barker Playgroup for a new kitchen and Plantagenet Village Homes for water meters to be installed.



Chairman's report

One of our long standing groups we have supported over the years is the Kendenup First Response Group, where we started with some equipment, and then a car, then a shed and now is shortly to have a full scale ambulance permanently stationed in Kendenup.

Our joint sponsorships with Albany and Cranbrook/Tambellup such as the primary and high school netball carnival and the Great Southern Art Trail continue to be successful. In fact over fifty different projects have been sponsored this year.

All this would not be possible without our shareholders and particularly all of our customers who bank with us, with half the profits of their banking staying here and being invested locally.

So the more support you can give your **Community Bank®** branch, the more we can invest in local projects to keep our community strong.

John Howard
Chairman

Manager’s report

For year ending 30 June 2012

It is with great pleasure that I report another year of business growth for our **Community Bank®** branch which has resulted in further significant contributions to our community. The combined deposit and lending portfolio has grown to $112 million as at 30 June 2012 with total community sponsorships and grants for the year exceeding $110,000 and an attractive shareholder dividend payment.

It goes without saying that such an achievement does not come easy in these challenging economic times with much credit attributed to our dedicated and loyal staff members who take a great deal pride in providing superior customer service in line with the Bendigo Bank ethos. They also look to self development by maintaining required and optional training programs and proudly represent the branch in their community.

With the support of our ever increasing customer base all areas of our community gain benefit from the unique **Community Bank®** model. We can be proud of our significant contribution to making the new undercover area at the Mount Barker Community College a reality and assisting the Chess team of the Kendenup Primary School to attend the National Championships in Victoria where they did themselves proud. Other local sponsorships included a new rainwater tank for the Porongurup Hall, a new stretcher for the Rocky Gully Ambulance and our joint sponsorship together with Albany and Tambellup/Cranbrook **Community Bank®** branches of the Bendigo Bank Southern Art & Craft Trail.

Our customers through our Walpole Agency have made it possible to support community sponsorships including provision of iPads for the Walpole Nornalup St John Ambulance service and equipment for the Ficifolia Community Garden.

The recipe is simple; the more community members who choose to do their banking with the Mount Barker **Community Bank®** Branch, the more their community benefits with community members deciding on which projects receive support.

The tireless and selfless endeavours of our Board members are also acknowledged and in particular their most important corporate governance role and community engagement activities to ensure that our business is relevant in our community.

As with previous years, I recognise our loyal shareholders and customers for their support and for promoting their **Community Bank®** branch with pride and confidence.

Leigh Wallace
Branch Manager

Directors' report

For the financial year ended 30 June 2012

Your Directors submit their report of the company for the financial year ended 30 June 2012.

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
Board member since 2005

Jonathan Michael Fathers
Vice Chairman
Manager
Resigned 29/11/11

Elizabeth Van Zeyl
Vice Chairperson
Farmer
Board member since 2007

Willian Devant Bentley
Director
Farmer
Resigned 29/11/11

Marie O'Dea
Director
Project Officer
Board member since 2010

Dominic Le Cerf
Director
Manager
Appointed 6/12/11

Geoffrey Thomas Jones
Company Secretary/Treasurer
Retired Farmer
Board member since 2004

Grant Cooper
Director
Farmer
Board member since 2007

Melanie Greeney
Director
Veterinary Assistant
Board member since 2009

Lesley Forbes Righton
Assistant Secretary/Treasurer
Accountant
Board member since 2008

Rachel McGarry
Director
Lawyer
Resigned 19/6/12

Gert Messmer
Director
Electrical Engineer
Appointed 28/11/11

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.

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

Operating results

The profit/loss of the company for the financial year after provision for income tax was $58,992 (2011 profit/loss: $82,134).

Dividends

Dividends	Year Ended 30 June 2012	
	Cents	$
Final dividends recommended:	8	38,762
Dividends paid in the year:		
• Dividends paid in the year	-	-
• As recommended in the prior year report	8	38,762

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.

Events after the reporting period

Since balance date, the world financial markets have shown volatility that may have an impact on investment earnings in the 2012/2013 financial year. The company continues to maintain a conservative investment strategy to manage the exposure to market volatility.

There are no other 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.

Future developments

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

Environmental issues

The company is not subject to any significant environmental regulation.

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.

Remuneration report

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.

Indemnifying officers or Auditor

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 Officer's 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.

Indemnifying officers or Auditor (continued)

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.

Directors' meetings

The number of Directors' meetings attended during the year were: 11

Director	Board meetings*
John Reginald Howard	11 (11)
Grant Cooper	8 (11)
Geoffrey Thomas Jones	11 (11)
Melanie Greeney	7 (11)
Willian Devant Bentley	3 (5)
Elizabeth Van Zeyl	8 (11)
Jonathan Michael Fathers	4 (5)
Lesley Forbes Righton	10 (11)
Marie O'Dea	10 (11)
Gert Messmer	5 (8)
Dominic Le Cerf	5 (7)
Rachel McGarry	6 (8)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.
N/A – not a member of that committee.

Company Secretary

Geoffrey Jones has been the Company Secretary of Plantagenet Community Financial Services Limited 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.

Auditor independence declaration

The Auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 8 of this financial report.

Auditor's independence declaration

Plantagenet Community Financial Services Ltd
ABN 89 096 387 816
Directors' Report

Auditor's independence declaration

In relation to our audit of the financial report of Plantagenet Community Financial Services Ltd for the financial year ended 30 June 2012, 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 Accountants & Business Advisors
Albany
6 **October 2012**

Signed in accordance with a resolution of the Board of Directors at Mount Barker on 16 - 10 2012

John Reginald Howard
CHAIRMAN

Geoffrey Thomas Jones
SECRETARY/TREASURER

Financial statements

Statement of comprehensive income for the year ended 30 June 2012

	Note	2012 $	2011 $
Revenue	2	1,011,762	970,677
Employee benefits expense	3	(480,902)	(465,087)
Depreciation and amortisation expense	3	(21,517)	(23,206)
Finance costs	3	(19,887)	(13,683)
Other expenses		(286,820)	(283,594)
Operating profit/(loss) before charitable donations & sponsorships		**202,636**	**185,107**
Charitable donations and sponsorships		(114,992)	(67,772)
Profit/(loss) before income tax expense		**87,644**	**117,335**
Income tax expense / (benefit)	4	28,652	(35,201)
Net Profit/(loss) for the year		**58,992**	**152,536**
Other comprehensive income		-	-
Total comprehensive income for the year		**58,992**	**152,536**
Earnings per share (cents per share)			
- basic for profit / (loss) for the year	23	12.18	31.48
- diluted for profit / (loss) for the year	23	12.18	31.48

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2012

	Note	2012 $	2011 $
Assets			
Current assets			
Cash and cash equivalents	6	77,189	57,558
Receivables	7	101,686	110,383
Loan Receivables	8	30,000	30,000
Prepayments		170	3,595
Total current assets		**209,045**	**201,536**
Non-current assets			
Property, plant and equipment	9	292,308	269,306
Loan Receivables	8	245,000	275,000
Deferred tax asset	4	-	1,254
Intangible assets	10	45,798	53,588
Other		118	118
Total non-current assets		**583,224**	**599,266**
Total assets		**792,269**	**800,802**
Liabilities			
Current liabilities			
Payables	11	69,694	59,367
Loans and borrowings	12	52,583	64,003
Current tax payable	4	370	18,014
Provisions	13	36,374	18,485
Total current liabilities		**159,021**	**159,869**
Non-current liabilities			
Loans and borrowings	12	161,244	173,721
Deferred Tax Liability	4	205	-
Provisions	13	13,550	29,194
Total non-current liabilities		**174,999**	**202,915**
Total liabilities		**334,020**	**362,784**
Net assets / (liabilities)		**458,249**	**438,018**
Equity			
Share capital	14	484,525	484,525
Retained earnings / (accumulated losses)	15	(26,276)	(46,507)
Total equity		**458,249**	**438,018**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the year ended 30 June 2012

	Note	2012 $	2011 $
Cash flows from operating activities			
Cash receipts in the course of operations		1,008,266	958,087
Cash payments in the course of operations		(807,192)	(803,347)
Interest paid		(20,357)	(13,683)
Interest received		1,593	3,493
Income tax paid		(44,838)	(19,656)
Net cash flows from/(used in) operating activities	**16b**	**137,472**	**124,894**
Cash flows from investing activities			
Proceeds from Sale of Plant		14,546	-
Payment for intangible assets		-	(51,025)
Payments for property, plant and equipment		(49,370)	(30,829)
Net cash flows from/(used in) investing activities		**(34,824)**	**(81,854)**
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from borrowings		33,000	146,212
Payment for loan		-	(150,000)
Repayment of borrowings		(77,255)	(55,795)
Dividends paid		(38,762)	(38,750)
Net cash flows from/(used in) financing activities		**(83,017)**	**(98,333)**
Net increase/(decrease) in cash held		**19,631**	**(55,293)**
Cash and cash equivalents at start of year		57,558	112,851
Cash and cash equivalents at end of year	**16a**	**77,189**	**57,558**

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2012

	Note	2012 $	2011 $
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		23,895	(89,879)
Net Profit/(loss) for the year		58,992	152,536
Dividends paid	23	(38,762)	(38,762)
Balance at end of year		**44,125**	**23,895**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2012

Note 1. Summary of significant accounting policies

(a) Basis of preparation

Plantagenet Community Financial Services Limited ('the company') is domiciled in Australia. The financial statements for the year ending 30 June 2012 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve providing community banking services.

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authorative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement of fair value of selected non current assets, financial assets and financial liabilities.

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.

The financial statements were authorised for issue by the Directors on 16 October 2012.

(b) 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. Summary of significant accounting policies (continued)

(c) 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	2.50%
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.

(d) Impairment 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.

(e) 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.

1. Summary of significant accounting policies (continued)

(f) 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.

(g) Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation changes for intangible assets are included under depreciation and amortisation expense per the Statement of Comprehensive Income.

(h) Cash

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

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

(i) Revenue

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

(j) 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.

(k) New accounting standards for application in future periods

Australian Accounting Standards that have been recently issued or amended but not yet effective have not been adopted in the preparation of these financial statements. These changes have been assessed by Directors and determined they will not have a material impact on the company's financial statements.

(l) Loans and borrowings

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

(m) Provisions

Provisions are recognised when the company 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.

1. Summary of significant accounting policies (continued)

(n) 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.

(o) Comparative figures

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

(p) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements 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. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation changes for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Income tax

The company is subject to income tax. Significant judgement is required in determining the provision for income tax.

Impairment

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

(q) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

1. Summary of significant accounting policies (continued)

(q) Financial instruments (continued)

Classification and subsequent measurement (continued)

Fair value represents the amount for which an asset would be exchanged or a liability settled, between knowledgeable willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are applied to determine the fair value.

Amortised costs is calculated as the amount which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) Loans and receivables

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

(ii) Financial liabilities

Non derivative financial liabilities are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed impaired if and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred, which has an impact on the estimated future cash flows of the financial asset. In the case of financial assets carried at amortised cost, loss events may include indications that the debtor are experiencing significant financial difficulty or changes in economic conditions.

	2012 $	2011 $
Note 2. Revenue		
Revenue from continuing activities		
- services commissions	1,010,169	967,184
- other revenue	-	-
	1,010,169	**967,184**
Other revenue		
- interest received	1,593	3,493
- other revenue	-	-
	1,593	**3,493**
	1,011,762	**970,677**

	2012 $	2011 $

Note 3. Expenses

	2012 $	2011 $
Employee benefits expense		
- wages and salaries	404,636	385,953
- superannuation costs	74,460	72,294
- workers' compensation costs	1,003	-
- other costs	803	6,840
	480,902	**465,087**
Depreciation of non-current assets:		
- plant and equipment	10,541	9,178
- buildings	3,186	3,921
Amortisation of non-current assets:		
- intangible assets	7,500	10,107
- establishment costs	290	-
	21,517	**23,206**
Finance costs:		
- Interest paid	19,887	13,683
Bad debts	14	136

Note 4. Income tax expense

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

	2012 $	2011 $
Prima facie tax on profit/(loss) before income tax at 30%	26,293	35,201
Add tax effect of:		
- Non-deductible expenses	2,359	-
Current income tax expense	**28,652**	**35,201**
Income tax expense / (benefit)	**28,652**	**35,201**
Tax liabilities	**(27%)**	**-**
Current tax payable	370	18,014
Deferred tax asset		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	-	1,254
Deferred tax liabilities		
Future income tax liability arising from tax profits are recognisable at reporting date as realisation of the liability ia regarded as probable.	**205**	**0**

	2012 $	2011 $

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

	2012 $	2011 $
- Audit or review of the financial report	6,100	5,800
- Taxation services	-	-
- Share registry services		-
- Accounting	7,400	8,000
	13,500	**13,800**

Note 6. Cash and cash equivalents

	2012 $	2011 $
Cash at bank and on hand	**77,189**	**57,558**

Note 7. Receivables

	2012 $	2011 $
GST receivable	14,054	21,512
Trade Debtors	87,382	88,871
Loan H Bateman	250	-
	101,686	**110,383**

Note 8. Loan Receivables

	2012 $	2011 $
Current		
Loans to other parties	30,000	30,000
Non-current		
Loans to other parties	245,000	275,000

Note 9. Property, plant and equipment

	2012 $	2011 $
Land		
Freehold land at cost	79,419	79,419
Buildings		
At cost	190,600	187,336
Less accumlated depreciation	(42,043)	(37,527)
	148,557	**149,809**

	2012 $	2011 $
Note 9. Property, plant and equipment (continued)		
Plant and equipment		
At cost	143,757	128,465
Less accumulated depreciation	(79,425)	(88,387)
	64,332	**40,078**
Total written down amount	**292,308**	**269,306**
Movements in carrying amounts		
Buildings		
Carrying amount at beginning of year	149,809	127,024
Additions	3,264	26,706
Disposals	-	-
Depreciation expense	(4,517)	(3,921)
Carrying amount at end of year	**148,556**	**149,809**
Movements in carrying amounts		
Plant and equipment		
Carrying amount at beginning of year	40,078	45,150
Additions	46,108	4,123
Disposals	(12,639)	(16)
Depreciation expense	(9,214)	(9,179)
Carrying amount at end of year	**64,333**	**40,078**

Note 10. Intangible assets

	2012 $	2011 $
Franchise fee		
At cost	150,000	150,000
Less accumulated amortisation	(105,000)	(97,500)
	45,000	**52,500**
Preliminary expenses		
At cost	2,057	2,057
Less accumulated amortisation	(1,259)	(969)
	798	**1,088**
	45,798	**53,588**

	2012 $	2011 $

Note 11. Payables

	2012 $	2011 $
Trade creditors	16,736	16,446
Other creditors and accruals	52,958	42,921
	69,694	**59,367**

Note 12. Loans and borrowings

	2012 $	2011 $
Current		
Bank Loans - Secured	52,583	64,003
	52,583	**64,003**
Non Current		
Bank Loans - Secured	161,244	173,721
	161,244	**173,721**

Bank loans are repayable monthly with the final instalment due on June 2012 and May 2016. Interest is recognised at an average rate of 8.89% (2011: 9.39%). The loans are secured by mortgage the freehold land and buildings and motor vehicle of the company.

Note 13. Provisions

	2012 $	2011 $
Current		
Employee benefits	36,374	14,845
Non Current		
Employee Benefits	13,550	29,194

Note 14. Share capital

	2012 $	2011 $
484,525 Ordinary Shares fully paid of $1 each	484,525	484,525
Less: Equity raising costs	-	-
	484,525	484,525

Note 15. Retained earnings / (accumulated losses)

	2012 $	2011 $
Balance at the beginning of the financial year	(46,507)	(89,879)
Profit/(loss) after income tax	58,992	82,134
Dividends	(38,762)	(38,762)
Balance at the end of the financial year	**(26,277)**	**(46,507)**

	2012 $	2011 $

Note 16. Statement of cash flows

(a) Cash and cash equivalents

	2012 $	2011 $
Cash assets	77,189	57,558
Bank overdraft	-	-
	77,189	**57,558**

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

	2012 $	2011 $
Profit / (loss) after income tax	58,992	82,134
Non cash items		
- Depreciation	13,727	13,099
- Amortisation	7,790	10,107
- Loss (Profit) on Sale of Plant	(1,903)	16
- Interest & Fees on Loans	20,357	14,938
Changes in assets and liabilities		
- (Increase) decrease in receivables	38,697	(16,146)
- (Increase) decrease in prepayments	3,425	(3,595)
- Increase (decrease) in payables	10,328	5,802
- Increase (decrease) in provisions	(13,941)	18,538
Net cashflows from/(used in) operating activities	**137,472**	**124,893**

Note 17. Director and related party disclosures

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

John Reginald Howard
Grant Cooper
Geoffrey Thomas Jones
Melanie Greeney
Willian Devant Bentley
Elizabeth Van Zeyl
Jonathan Michael Fathers
Lesley Forbes Righton
Marie O’Dea
Gert Messmer
Dominic Le Cerf
Rachel McGarry

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

Note 17. Director and related party disclosures (continued)

Directors' shareholding	2012	2011
John Reginald Howard	4,000	4,000
Grant Cooper	1,600	1,600
Geoffrey Thomas Jones	500	500
Melanie Greeney	-	-
Willian Devant Bentley	1,000	1,000
Elizabeth Van Zeyl	1,500	1,500
Jonathan Michael Fathers	-	-
Lesley Forbes Righton	100	100
Marie O'Dea	1,500	-
Gert Messmer	7,500	-
Dominic Le Cerf	-	-
Rachel McGarry	-	-

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

Note 18. Events after the reporting period

Since balance date, the world financial markets have shown volatility that may have an impact on investment earnings in the 2012/2013 financial year. The company continues to maintain a conservative investment strategy to manage the exposure to market volatility.

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

Note 19. Contingent liabilities and assets

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

Note 20. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Mount Barker, Western Australia. The company has a franchise agreement in place with Bendigo & Adelaide Bank Limited who account for 100% of the revenue (2011: 100%).

Note 21. Corporate information

Plantagenet Community Financial Services Limited is a company limited by shares incorporated in Australia.

The registered office & principle place of business is: 4 Short Street, Mount Barker WA.

	2012 $	2011 $
Note 22. Earnings per share		
Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.		
Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).		
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit/(loss) after income tax expense	**58,992**	**82,134**
Weighted average number of ordinary shares for basic and diluted earnings per share	**484,525**	**484,525**

Note 23. Dividends paid or provided for on ordinary shares

	2012 $	2011 $
(a) Dividends proposed and recognised as a liability		
Franked dividends	38,762	-
(b) Dividends paid during the year		
(i) Current year interim		
Unfranked dividends (2010: 6 cents per share)	-	-
(ii) Previous year final		
Franked dividends - 8 cents per share	38,762	38,762
(c) Dividends proposed and not recognised as a liability		
Franked dividends - 8 cents per share	-	38,762

	2012 $	2011 $

Note 23. Dividends paid or provided for on ordinary shares (continued)

(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	56,696	28,299
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	(8,589)	12,558
- Franking debits that will arise from the payment of dividends as at the end of the financial year	(16,612)	(16,612)
- 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	-	-
	31,495	**24,245**

Note 24. Financial risk management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

There have been no substantive changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(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	
	2012 $	2011 $
Cash and cash equivalents	77,189	57,558
Receivables	101,686	110,383
	178,875	**167,941**

The company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Limited.

Note 24. Financial risk management (continued)

(a) Credit risk (continued)

None of the assets of the company are past due (2011: 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 Limited.

(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.

	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2012				
Financial liabilities due for payment				
Payables	69,694	69,694	-	-
Loans and borrowings	213,827	80,332	189,832	-
Total expected outflows	**283,521**	**150,026**	**189,832**	**-**

	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2011				
Financial liabilities due for payment				
Payables	59,367	59,367	-	-
Loans and borrowings	237,724	97,112	263,540	-
Total expected outflows	**297,091**	**156,479**	**263,540**	**-**

Note 24. Financial risk management (continued)

(c) Market risk

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

Interest rate risk 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 2012 $	Carrying amount 2011 $
Fixed rate instruments		
Financial assets	275,000	305,000
Financial liabilities	32,489	12,825
	307,489	**317,825**
Floating rate instruments		
Financial assets	-	-
Financial liabilities	181,338	224,900
	181,338	**224,900**

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2011 there was also no impact. As at both dates this assumes all other variables remain constant.

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The company does not have any unrecognised financial instruments at year end.

Note 24. Financial risk management (continued)

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 2012 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

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 2012 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 2012.

John Reginald Howard	Geoffrey Thomas Jones
CHAIRMAN	SECRETARY/TREASURER

Signed at Mount Barker on 16 - 10 2012.

Independent audit report

PLANTAGENET COMMUNITY FINANCAL SERVICES LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PLANTAGENET COMMUNITY FINANCAL SERVICES LIMITED

Report on the Financial Report
We have audited the accompanying financial report of Plantagenet Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial report complies with the International Financial Reporting Standards.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted the 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 o 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 mad 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*.

Opinion

In our opinion,

a) the financial report of Plantagenet 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 2012 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.

RUSSELL HARRISON
PARTNER

Date: 19 October 2012

Plantagenet Community Financial Services Limited
4 Short Street, Mount Barker WA 6324
Phone: (08) 9851 2322
ABN: 89 096 387 816

Mount Barker **Community Bank®** Branch
4 Short Street, Mount Barker WA 6324
Phone: (08) 9851 2633

www.bendigobank.com.au/mount_barker
(BMPAR12011) (10/12)

Bendigo Bank