Rye & District Financial Services Limited

ABN 67 095 766 895

annual report 2011

Rye & District **Community Bank®** Branch

Dromana **Community Bank®** Branch

Contents

Chairman's report

For year ending 30 June 2011

In a year in which we celebrate the tenth anniversary of the opening of our first branch in Rye, it gives me great pleasure to be able to present this Annual Report to the shareholders and customers of our Company, Rye & District Community Financial Services Limited.

It is of greater satisfaction that I am able to present a report which marks yet another successful year of operation and declare an after tax profit for your Company of $543,969.

This is a record profit for the ten-year old Company, exceeding the previous record in 2010 by a margin of 22%.

A review of the profit performance over recent years provides a clear indication of the positive results being achieved as a result of establishing and pursuing a clear strategic direction for your Company:

Year	After-tax profit
2005	$86,202
2006	$28,114
2007	-$13,427
2008	$94,257
2009	$169,150
2010	$445,806
2011	$543,969

This achievement for the year just completed is even more remarkable given that it has been delivered after providing our community with sponsorships, grants and donations totaling $445,159.

Your Board is delighted with this outcome as it recognises the contribution made by our Company to the economic health of our community. We are mindful of our ability and responsibility to support local groups and organisations and take great satisfaction that the positive performance of your Company allows us to meet these obligations.

This is a core function of Bendigo and Adelaide Bank Ltd's **Community Bank®** model and one which your Board embraces without qualification.

In his report elsewhere in this document, our Senior Manager, Gary Sanford, provides great detail on the growth in our business at both our Rye & District and Dromana **Community Bank®** branches - with a total growth of $45.5 million for the year against a budget of $21 million.

The total 'book' of our business is fast approaching the magical $400 million mark - a remarkable achievement for a ten-year old Company and one which places us in the vanguard of **Community Bank®** branches throughout Australia.

Overall operating revenue grew by $458,000 during the year and expenses were managed to an increase of $309,000 over the previous year- the increased margin making a considerable contribution to our strong profit performance.

These results would not have been possible without the support of our shareholders and customers; without the dedicated efforts of Gary Sanford, Julie Toward, Bronwyn Ralph and all our staff; and without the direction provided to the company by my fellow Directors.

Chairman's report continued

To Gary, his management team and staff, I say 'well done' and 'thank you' for providing exceptional levels of service to our customers and for developing the relationships which will contribute to our ongoing success.

Our move to new premises in Rye during the year has been successful and was made possible by the willingness of all staff to contribute with either their physical labour or their coverage of other staff members physically involved with the move. This is just another example of the commitment of our staff to the **Community Bank®** mission.

Our partnership with Bendigo and Adelaide Bank Ltd is fundamental to our successful operation as a Company and I am indebted to Cora Clough, our Regional Manager, for her ongoing guidance and support. Ventures such as ours can only be truly successful when there is mutual respect between the parties and I am delighted to report that we continue to maintain a strong and healthy relationship with our partner.

The Bendigo and Adelaide Bank Ltd provides us with many opportunities to develop, to learn and to share our experiences with other members of the **Community Bank®** branch family.

I was fortunate to have been able to represent our Company at the National **Community Bank®** conference held in Adelaide in September 2010 and it was with great pride that I can report that your Company was selected to host the very successful 2011 **Community Bank®** State Conference of at the Mornington Racecourse earlier this year in May.

I can assure you that your Company is held in high esteem throughout the **Community Bank®** network and is regarded as one of its major success stories and role models.

I thank our shareholders for the support and trust afforded to your Board and offer you my assurance that we will continue to strive for the highest standards of corporate governance in representing your interests and investment.

Our customers deserve special mention. Without the ongoing support of our customers, our financial return to the community in the form of grants, donations and sponsorships would be much less significant. The **Community Bank®** model is simple - customer support leads to community support, which leads to healthier, more vibrant communities.

Your Board takes satisfaction in observing the growth of our communities in the Southern Peninsula region.

To your Board of Directors, I express my admiration and thanks for the conscientious manner in which they undertake their not inconsiderable duties. Their willingness to develop a strong strategic direction for your Company and then to oversee its successful implementation, is testament to their experience, ability and dedication to their task.

I acknowledge the contribution of:

Steven Edmund, as Deputy Chairman and Chairman of the Marketing Committee;

Eileen Naylor, as Company Secretary and member of the Sponsorship and Marketing Committee;

Pat Tonks, as Treasurer and member of the Finance Committee;

Gary Cain, as a member of the Finance Committee and advisor on financial issues;

Barry Irving, as a member of the Marketing Committee and as our liaison officer with the YMCA for our involvement in the Rye Youth Centre and its associated activities;

Andrew Emerson, as Chairman of our Property Committee;

Chairman's report continued

Janet Hall, as Chairman of the Governance Committee and

Dorothy Mortlock, for her role as a member of the Governance Committee

I thank them for their support and willingness to make a strong contribution to this Company.

As a group, your Board will gather in October for a day of Strategic Development; to review the current position of the Company and to chart its future direction for the next five years. Such exercises have been undertaken in previous years with very beneficial results and I hold high hopes for similar success from this strategic retreat.

It was at such a day some six years ago that a Board decision was taken to create the role of Board Administration Manager. This decision has been well and truly vindicated over recent years and the role is now being adopted by many other **Community Bank®** branches around the country.

The Board joins me in thanking Tony Harford, our Board Administration Manager, appointed as a result of this decision, for his efforts in ensuring that the administrative and regulatory obligations of the company are met.

In last year's Annual Report, I mentioned the purchase of a property in Rosebud to be the home of a future branch of your Company.

I can report that preliminary work continues to be undertaken with a view to developing the site to accommodate our branch needs. The building remains under lease until September 2012, after which time development will commence.

A Project Manager has been appointed, preliminary plans have been developed and submitted to Bendigo and Adelaide Bank Ltd for their input. Once these plans have been finalised, we will be in a position to lodge them with the various regulatory authorities to obtain the necessary approvals so that construction can commence.

It is still our intention to commence operations at our Rosebud branch in the third quarter of 2013.

In conclusion, it is left for me to declare that the dividend payable as a result of our successful operations in the 2010/2011 financial year will be 6.7 cents per share (fully franked), with a record date of 31 October 2011, an ex-dividend date of 24 October 2011 and a payment date of 25 November 2011.

As the accompanying table shows, the strong dividend return tracks the successful performance of your Company.

Dividend distributions 2007 - 2011

Year	2007	2008	2009	2010	2011
Dividend per share	$0.03	$0.02	$0.045	$0.065	$0.067
Total Dividends Paid	$87,948	$58,632	$131,922	$190,554	$196,417

It is our intention, indeed our expectation, that subject to a relatively normal external environment, these strong returns will be sustained in the coming year.

Shane McCarthy
Chairman

Senior Manager's report

For year ending 30 June 2011

The 2011 financial year has seen continued strong performances from both Rye & District and Dromana **Community Bank®** branches. With Rye Branch completing its 10th year and Dromana its 4th, some stabilisation of growth was expected.

I am very pleased to report that both branches continued to grow during the 2011 financial year ahead of budget. An indication is the continued growth in total facility numbers at both Rye and Dromana. Rye's facilities grew by 221 and Dromana by 500.

As at 30 June 2011, we experienced growth in all areas of our business. We increased total accounts at Rye from 9,146 to 9,367 and Dromana from 4,066 to 4,566. Our combined balances totalled $389.77 million, which included total deposits at $204.32 million and total lending at $176.16 million, maintaining our good mix of business. Reported Financial Planning products under management were $9.29 million, assisting to make up the $389.77 million. These balances reflect a 10.05% growth in deposits and 18.46% growth in lending across the company. The balances also reflect a 5.80% decrease in financial planning facilities under management over the year.

Rye branch balances as at 30 June 2011 were $135.28 million in deposits and $106.14 million in lending and Financial Planning under management at $7.31 million. Combined balances stood at $248.73 million, reflecting a $22.48 million growth overall against a budget of $9.0 million. An excellent result!

Dromana branch balances as at 30 June 2011 were $69.04 million in deposits and $70.02 million in lending and financial planning under management at $1.98 million. Combined balances stood at $141.04 million, reflecting a $23.06 million growth overall against a budget of $12.0 million. Another excellent result!

The combined business growth of $45.54 million against combined budgeted growth of $21 million is a reflection of the strong support from the local community. It also reflects the very strong management structures and teams we have at both branches and how well they have worked to achieve these results.

We are now looking forward to the challenges ahead in the 2012 financial year to maintain our strong financial performance.

Board support

The management of both branches continue to get strong support from the Board, which instils confidence and a clear direction of where we are heading as a Group.

The Board's decision to purchase a property in Rosebud to be developed into our 3rd site gives us clear direction towards the future. It has also allowed us to communicate to the Rosebud area of our plans to open a **Community Bank®** branch in their town.

I thank Shane McCarthy, Chairman and all the directors of the Board for the trust, respect and support they provide to Rye Manager, Julie Toward, and Dromana Manager, Bronwyn Ralph and myself.

Senior Manager's report continued

Staff

Rye Manager, Julie Toward, has had an outstanding year, not only achieving excellent growth but facilitating a relocation from our original home at 2349 Pt Nepean Road, Rye for 10 years, to its new location at 2271 Pt Nepean Road, Rye. This included the refurbishment of the new branch as a 'Branch of the Future' layout. This was all achieved with a minimum of fuss and inconvenience to our customers.

I wish to thank all our staff at both Rye and Dromana who assisted with this big move; you made what seemed like a gigantic task seem simple.

Bronwyn Ralph has completed her first full year as Dromana's Branch Manager and achieved excellent results. Bronwyn has risen to every challenge she has faced and developed into a vital part of the Group's management team.

Both Julie and Bronwyn are actively involved in our community engagement strategies, regularly attending functions and presentations. Presentation nights/days at bowls, golf, school and many other community activities are now an important part of their roles.

Diane Kennedy has been our Mobile Relationship Manager since May 2010 and has proven to be a very valuable member of our team. Her wealth of experience and local contacts has kept her very busy with new customers for our Group.

During the year we have developed a close relationship between our two branches and incorporated several staff swapping arrangements on regular occasions. I would like to thank all our staff at Rye and Dromana - Elizabeth Clark, Christine Gray, Chris Broderick, Tim Ling, Patreece Topp, Deborah Harper, Val Jarman, Melissa Bosomworth, Tara Delgrosso, Ann Morris and Gemma Hodgson - for the support of your Managers and helping achieve our outstanding results.

During the year we have also had a couple of staff additions to our teams in Elizabeth Cairns at Dromana and Luke Sweet at Rye. Elizabeth Cairns joined us on 5 September 2010 and Luke Sweet commenced on 21 February 2011. They have both fitted into our **Community Bank®** culture very quickly. Michelle Owen, who is one of our original Dromana staff, has been on maternity leave during the year and we welcomed her back two days per week on 27 June 2011.

I would like to thank all our staff who made our hosting of the 2011 VIC/TAS **Community Bank®** State Conference at the Mornington Racecourse in May this year a tremendous success. Whether you were lucky enough to help out at the event or remained at our branches serving our customers, your contribution was acknowledged by Bendigo and Adelaide Bank Ltd's State and Regional Managers for its success.

Our partners Bendigo and Adelaide Bank Ltd, whose direct support is provided by our Mornington Peninsula Regional Manager, has continued to be a vital part of our performance. Cora Clough, our Regional Manager, has built a strong relationship with both Branch Managers and provides tremendous support to our Group. I thank Cora for the support she has provided and her contribution to our success.

Summary

With the Mornington Peninsula opening two more **Community Bank®** branches at Mt Eliza (October 2010) and Mt Martha (April 2011), it now has eight branches, which are located at Rye, Dromana, Balnarring, Hastings, Pearcedale, Mt Eliza, Mornington and Mt Martha.

As mentioned last year, with the opening of these neighbouring branches our catchment and community engagement area has become more defined. It is with this in mind that I look forward to working with the Rosebud community in the coming years to develop a 3rd site that is as successful as our existing two.

Senior Manager's report continued

Apart from our ongoing growth at both branches a couple of highlights for the year include;

- The relocation and redevelopment of the new site at Rye as a 'Branch of the Future'.
- The continued development of Julie Toward as Rye's Branch Manager and her engagement with local community groups.
- The first year performance of Bronwyn Ralph as Dromana's Branch Manager.
- The success of employing Diane Kennedy as a Mobile Relationship Manager in business growth and assistance she has provided to further develop our Managers.
- The hosting of the 2011 VIC/TAS **Community Bank®** State Conference in May at the Mornington Racecourse.
- A further $445,159 funding of community groups and events during the 2011 financial year.

All in all I consider our 10th year since commencing in 2001 to have been very successful and rewarding.

Gary Sanford
Senior Manager

Directors' report

For the financial year ended 30 June 2011

Your directors submit the financial statements of the company for the financial year ended 30 June 2011.

Directors

The names and details of the company's directors who held office during or since the end of the financial year:

Shane Christopher McCarthy Llb GAICD
Chairman & Director
Age: 59
Occupation: Solicitor & Notary Public
Chair, Sponsorship & Marketing Committee
36years exp as Legal Practitioner

Patricia Tonks
Treasurer
Age: 69
Occupation: Retiree
Former Councillor Flinders Shire
36years exp Business Administration
President Rye Community Centre

Eileen Naylor
Secretary & Member, Sponsorship & Marketing Committee
Age: 63
Occupation: Retiree
B.A (Hons), 15years exp Human Resource Management

Barry Leonard Irving
Director & Member, Marketing Committee
Age: 68
Occupation: Retiree
Photography, President Rye Rotary Club
Former Secretary Southern Peninsula Resue Squad
17years exp Senior Laboratory Craftsman with C.S.I.R.O

Andrew Ross Emerson
Director & Property Committee
Age: 64
Occupation: Home Furnishing Industry
40years exp Furnishing Industry
Member Lions Club

Gary Michael Cain
Director & Finance Committee
Age: 60
Occupation: Accountant, CPA
Former President Rosebud Football Club Inc

Stephen Bernard Edmund
Director, Deputy Chairman & Marketing Committee
Age: 60
Occupation: Real Estate Agent
22years exp Retail Hardware, previously served on National Marketing Committee of Home Hardware
Paul Harris Fellowship of Rotary Club Dromana
Chairman Dromana Chamber of Commerce

Janet Iris Hall
Director & Chair, Audit & Governance Committee
Age: 64
Occupation: Interior Decorator
30years exp & Sole Operator of Interior Decorating
Chairperson Southern Mornington Peninsula Uniting Church

Directors (continued)

Dorothy Mortlock
Director, Governance Committee
Age: 66
Occupation: Retiree
Former President Rosebud Country Club
Secretary Peninsula Community Fund Inc
Volunteer Peninsula Health

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

No directors have material interests in contracts or proposed contracts with the company.

Company Secretary

The company secretary is Eileen Naylor. Eileen was appointed to the position of secretary on 24th November 2004.

Principal Activities

The principal activities of the company during the course of the financial year were in facilitating **Community Bank®** services under management rights to operate franchised branches 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 of the company for the financial year after provision for income tax was:

	Year ended 30 June 2011 $	Year ended 30 June 2010 $
	543,969	455,806

Remuneration Report

The Board is responsible for the determination of remuneration packages and policies applicable to the Senior Manager and all the staff. The Senior Manager is invited to the Board meeting as required to discuss performance and remuneration packages.

The Senior Manager is paid a base salary, which is between $125,000 and $135,000 plus the use of a company car. In addition the Senior Manager receives a bonus if the company exceeds the performance criteria established by the Board. The bonus is subject to the board's review of performance and will be in the range of $10,000 to $20,000.

Remuneration Report (continued)

Directors' Remuneration

For the year ended 30 June 2011, the directors received total remuneration including superannuation, as follows:

	$
Shane Christopher McCarthy	20,000
Patricia Tonks	15,000
Eileen Naylor	10,000
Barry Irving	7,500
Andrew Ross Emerson	7,500
Janet Iris Hall	7,500
Stephen Bernard Edmund	7,500
Gary Michael Cain	7,500
Dorothy Mortlock	7,500

Fees and payments to non executive directors reflect the demands which are made on and the responsibilities of the directors. Non executive directors' fees are reviewed annually by the Board. The Chairman's, Secretary's and Treasurer's fees are determined independently to the fees of non executive directors. All directors' renumerations are inclusive of committee fees.

	Year Ended 30 June 2011	
Dividends	**Cents**	**$**
Final dividends recommended:	6.7c	196,418
Dividends paid in the year:		
- As recommended in the prior year report	6.5c	190,554

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 or the financial statements.

Matters Subsequent to the End of the Financial Year

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 facilitating banking services to the community.

Environmental Regulation

The company is not subject to any significant environmental regulation.

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 except as disclosed in note 20 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Indemnification and Insurance of Directors and Officers

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

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

Directors Meetings

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

	Board Meetings Attended		Committee Meetings Attended			
			Finance & Audit		Marketing	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Shane Christopher McCarthy	15	14	-	-	12	10
Stephen Bernard Edmund	15	11	-	-	5	5
Gary Michael Cain	15	14	3	3	-	-
Patricia Tonks	15	12	3	3	-	-
Eileen Naylor	15	14	-	-	12	11
Barry Leonard Irving	15	11	-	-	5	4
Andrew Ross Emerson	15	11	-	-	-	-
Janet Iris Hall	15	11	-	-	-	-
Dorothy Mortlock	15	13	-	-	-	-

Non Audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The board of directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Non Audit Services (continued)

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13

Shane Christopher McCarthy Llb GAICD, Chairman

Patricia Tonks, Treasurer

Signed in accordance with a resolution of the board of directors at Rye, on Friday 9th September 2011

Auditor's independence declaration

Partners in success

Chartered Accountants

Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the directors of Rye & District Community Financial Services Limited

I declare, that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

- no contraventions of any applicable code of professional conduct in relation to the audit.

GRAEME STEWART
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

9th September 2011

Financial statements

Statement of Comprehensive Income for the Year Ended 30 June 2011

	Note	2011 $	2010 $
Revenues from ordinary activities	4	3,218,264	2,760,156
Employee benefits expense		(1,202,021)	(1,012,653)
Charitable donations, sponsorship, advertising and promotion		(530,908)	(564,031)
Occupancy and associated costs		(167,185)	(113,252)
Systems costs		(130,917)	(122,382)
Depreciation and amortisation expense	5	(77,839)	(77,214)
Finance costs	5	(72,540)	(33,739)
General administration expenses		(246,713)	(195,925)
Profit before income tax expense		**790,141**	**640,960**
Income tax expense	6	(246,172)	(195,154)
Profit after income tax expense		**543,969**	**445,806**
Total comprehensive income for the year		**543,969**	**445,806**

Earnings per share (cents per share)		**c**	**c**
- basic for profit for the year	22	18.56	15.21

The accompanying notes form part of these financial statements.

Balance Sheet
as at 30 June 2011

	Note	2011 $	2010 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	510,449	827,436
Trade and other receivables	8	283,254	267,129
Total Current Assets		**793,703**	**1,094,565**
Non-Current Assets			
Property, plant and equipment	9	3,038,122	1,401,568
Intangible assets	10	115,431	10,000
Deferred tax assets	11	32,295	22,117
Total Non-Current Assets		**3,185,848**	**1,433,685**
Total Assets		**3,979,551**	**2,528,250**
LIABILITIES			
Current Liabilities			
Trade and other payables	12	333,264	67,065
Current tax liabilities	11	87,343	156,738
Borrowings	13	254,677	90,215
Provisions	14	90,712	71,364
Total Current Liabilities		**765,996**	**385,382**
Non-Current Liabilities			
Borrowings	13	1,005,964	299,630
Provisions	14	31,990	21,052
Total Non-Current Liabilities		**1,037,954**	**320,682**
Total Liabilities		**1,803,950**	**706,064**
Net Assets		**2,175,601**	**1,822,186**
Equity			
Issued capital	15	1,299,400	1,299,400
Retained earnings	16	876,201	522,786
Total Equity		**2,175,601**	**1,822,186**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the Year Ended 30 June 2011

	Issued Capital $	Retained Earnings $	Total Equity $
Balance at 1 July 2009	**1,299,400**	**208,901**	**1,508,301**
Total comprehensive income for the year	**-**	**445,806**	**445,806**
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(131,922)	(131,922)
Balance at 30 June 2010	**1,299,400**	**522,786**	**1,822,186**
Balance at 1 July 2010	**1,299,400**	**522,786**	**1,822,186**
Total comprehensive income for the year	**-**	**543,969**	**543,969**
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(190,554)	(190,554)
Balance at 30 June 2011	**1,299,400**	**876,201**	**2,175,601**

The accompanying notes form part of these financial statements.

Statement of Cashflows for the Year Ended 30 June 2011

	Note	2011 $	2010 $
Cash Flows From Operating Activities			
Receipts from customers		3,177,483	2,728,456
Payments to suppliers and employees		(2,303,929)	(1,926,778)
Interest received		18,991	28,342
Interest paid		(72,540)	(33,739)
Income taxes paid		(250,685)	(195,233)
Net cash provided by operating activities	**17**	**569,320**	**601,048**
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(1,429,559)	(10,298)
Payments for motor vehicles		-	(34,160)
Payments for office furniture and equipment		(4,698)	(4,975)
Payments for intangible assets		(119,423)	-
Payments for leasehold improvements		(12,869)	-
Proceeds from sale of motor vehicles		-	18,388
Net cash used in investing activities		**(1,566,549)**	**(31,045)**
Cash Flows From Financing Activities			
Proceeds from borrowings		1,235,000	-
Repayment of borrowings		(364,204)	(81,960)
Dividends paid		(190,554)	(131,922)
Net cash provided by/(used in) financing activities		**680,242**	**(213,882)**
Net increase/(decrease) in cash held		**(316,987)**	**356,121**
Cash and cash equivalents at the beginning of the financial year		827,436	471,315
Cash and cash equivalents at the end of the financial year	**7(a)**	**510,449**	**827,436**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standard Boards and the Corporations Act 2001.

Compliance with IFRS

These financial statements and notes comply with IFRS International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Financial statement presentation

The company has applied revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The company has elected to present all items of income and expense recognised in the period in a single statement of comprehensive income.

Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative figures

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

Adoption of new and revised Accounting Standards

During the current year the entity has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the company.

Note 1. Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

Adoption of new and revised Accounting Standards (continued)

- AASB 101 Presentation of Financial Statements

  In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

- Disclosure impact

  Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

  Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

  Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

  The company's financial statements contain a single statement of comprehensive income.

  Other comprehensive income – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods, as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)
- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has determined these amendments will have no impact on the preparation of the financial statements and therefore they have not been applied.

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank®** branch at Rye & Dromana.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank®** branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank®** branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank®** branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fit out of the **Community Bank®** branch;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

b) Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

b) Revenue (continued)

Revenue calculation

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of the monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as “day to day” banking business (ie ‘margin business’). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of that loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (ie ‘commission business’). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example in February 2011 Bendigo and Adelaide Bank Limited reduced commissions on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its **Community Bank®** partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank Limited and **Community Bank®** companies remain balanced.

The third source of revenue is a proportion of the fees and charges (ie, what are commonly referred to as ‘bank fees and charges’) charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

c) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Note 1. Summary of Significant Accounting Policies (continued)

c) Income Tax (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

d) Employee Entitlements

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

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

e) Cash and Cash Equivalents

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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

f) Trade Receivables and Payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. 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.

g) Property, Plant and Equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Note 1. Summary of Significant Accounting Policies (continued)

g) Property, Plant and Equipment (continued)

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements	40 years
- plant and equipment	2.5 - 40 years
- furniture and fittings	4 - 40 years

h) Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

i) Payment Terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

j) Borrowings

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

k) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

Derecognition

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

Classification and subsequent measurement

(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 using the effective interest rate method.

Note 1. Summary of Significant Accounting Policies (continued)

k) Financial Instruments (continued)

Classification and subsequent measurement (continued)

(ii) Held-to-maturity investments

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

(iii) Financial liabilities

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

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

m) 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 of 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.

n) Contributed Equity

Ordinary shares are 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.

Note 1. Summary of Significant Accounting Policies (continued)

o) Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

p) Goods and Services Tax

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the 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 taxation authority are classified as operating cash flows.

Note 2. Financial Risk Management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

Note 2. Financial Risk Management (continued)

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(vi) Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the balance sheet.

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

(i) the distribution limit is the greater of:

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

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

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2011 can be seen in the statement of comprehensive income.

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

Note 3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Note 3. Critical Accounting Estimates and Judgements (continued)

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the statement of comprehensive income.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements continued

	2011 $	2010 $

Note 4. Revenue from Ordinary Activities

	2011 $	2010 $
Operating activities:		
- services commissions	3,156,023	2,731,814
Total revenue from operating activities	**3,156,023**	**2,731,814**
Non-operating activities:		
- interest received	18,991	28,342
- rental revenue	43,250	-
Total revenue from non-operating activities	**62,241**	**28,342**
Total revenues from ordinary activities	**3,218,264**	**2,760,156**

Note 5. Expenses

	2011 $	2010 $
Depreciation of non-current assets:		
- motor vehicles	15,036	14,647
- office furniture and equipment	6,375	8,685
- leasehold improvements	42,436	41,882
Amortisation of non-current assets:		
- franchise fee	10,721	12,000
- renewal process fee	3,271	-
	77,839	**77,214**
Finance costs:		
- interest paid	**72,540**	**33,739**
Bad debts	**4,466**	**2,511**
Loss on disposal of non current assets	**18,594**	**3,388**

Note 6. Income Tax Expense

	2011 $	2010 $
The components of tax expense comprise:		
- Current tax	256,350	195,494
- Future income tax benefit attributed to losses	-	-
- Movement in deferred tax	(10,178)	(340)
- Recoup of prior year tax loss	-	-
	246,172	**195,154**

	Note	2011 $	2010 $

Note 6. Income Tax Expense (continued)

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	Note	2011 $	2010 $
Operating profit		790,141	640,960
Prima facie tax on profit from ordinary activities at 30%		237,043	192,288
Add tax effect of:			
- non-deductible expenses		5,348	4,919
- timing difference expenses		13,764	339
- other deductible expenses		195	(2,052)
		256,350	**195,494**
Movement in deferred tax	11	(10,178)	(340)
		246,172	**195,154**

Note 7. Cash and Cash Equivalents

	Note	2011 $	2010 $
Cash at bank and on hand		301,037	47,922
Term deposits		209,412	779,514
		510,449	**827,436**

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

Note 7.(a) Reconciliation of cash

	Note	2011 $	2010 $
Cash at bank and on hand		301,037	47,922
Term deposits		209,412	779,514
		510,449	**827,436**

Note 8. Trade and Other Receivables

	Note	2011 $	2010 $
Trade receivables		260,473	238,683
Prepayments		22,781	28,446
		283,254	**267,129**

Note 9. Property, Plant and Equipment

	2011 $	2010 $
Land & Buildings		
At cost	2,824,419	1,396,660
Less accumulated depreciation	(166,452)	(131,914)
	2,657,967	**1,264,746**
Motor Vehicles		
At cost	96,877	96,877
Less accumulated depreciation	(42,564)	(27,528)
	54,313	**69,349**
Office Furniture & Equipment		
At cost	63,502	68,876
Less accumulated depreciation	(29,172)	(28,495)
	34,330	**40,381**
Leasehold improvements		
At cost	302,018	247,847
Less accumulated depreciation	(10,506)	(220,755)
	291,512	**27,092**
Total written down amount	**3,038,122**	**1,401,568**
Movements in carrying amounts:		
Land & Buildings		
Carrying amount at beginning	1,264,746	1,298,554
Additions	1,427,759	-
Disposals	-	-
Less: depreciation expense	(34,538)	(33,808)
Carrying amount at end	**2,657,967**	**1,264,746**
Motor Vehicles		
Carrying amount at beginning	69,349	68,223
Additions	-	34,160
Disposals	-	(15,000)
Less: depreciation expense	(15,036)	(18,034)
Carrying amount at end	**54,313**	**69,349**

	2011 $	2010 $

Note 9. Property, Plant and Equipment (continued)

	2011 $	2010 $
Office Furniture & Equipment		
Carrying amount at beginning	40,381	33,793
Additions	6,498	15,273
Disposals	(6,174)	-
Less: depreciation expense	(6,375)	(8,685)
Carrying amount at end	**34,330**	**40,381**
Leasehold improvements		
Carrying amount at beginning	27,092	35,166
Additions	284,738	-
Disposals	(12,420)	-
Less: depreciation expense	(7,898)	(8,074)
Carrying amount at end	**291,512**	**27,092**
Total written down amount	**3,038,122**	**1,401,568**

Note 10. Intangible Assets

	2011 $	2010 $
Franchise fee		
At cost	129,570	108,000
Less: accumulated amortisation	(108,721)	(98,000)
	20,849	**10,000**
Renewal processing fee		
At cost	97,853	-
Less: accumulated amortisation	(3,271)	-
	94,582	**-**
Total written down amount	**115,431**	**10,000**

	Note	2011 $	2010 $

Note 11. Tax

	Note	2011 $	2010 $
Current:			
Income tax payable		**87,343**	**156,738**
Non-Current:			
Deferred tax assets			
- employee provisions		37,035	27,950
		37,035	**27,950**
Deferred tax liability			
- accruals		470	233
- deductible prepayments		4,270	5,600
		4,740	**5,833**
Net deferred tax asset		**32,295**	**22,117**
Movement in deferred tax charged to statement of comprehensive income		**(10,178)**	**(340)**

Note 12. Trade and Other Payables

	Note	2011 $	2010 $
Trade creditors		747	3,043
Other creditors and accruals		332,517	64,022
		333,264	**67,065**

Note 13. Borrowings

	Note	2011 $	2010 $
Current:			
Bank overdrafts			
Lease liability	18	27,157	12,935
Bank loans		227,520	77,280
		254,677	**90,215**
Non-Current:			
Lease liability	18	-	27,157
Bank loans		1,005,964	272,473
		1,005,964	**299,630**

Note 13. Borrowings (continued)

Bank loans are repayable monthly with the final instalment due on 22nd May 2016. Interest is recognised at an average rate of 7.50% (2010: 7.50%). The loans are secured by a fixed and floating charge over the company's assets.

	2011 $	2010 $
Note 14. Provisions		
Current:		
Provision for dividend	(86)	(86)
Provision for annual leave	45,191	33,596
Provision for long service leave	45,607	37,854
	90,712	**71,364**
Non-Current:		
Provision for long service leave	**31,990**	**21,052**
Number of employees at year end	18	14
Note 15. Contributed Equity		
2,931,605 Ordinary shares fully paid (2010: 2,931,605)	1,340,732	1,340,732
Less: equity raising expenses	(41,332)	(41,332)
	1,299,400	**1,299,400**

Rights attached to shares

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank®** have the same ability to influence the operation of the company.

Note 15. Contributed Equity (continued)

Rights attached to shares (continued)

(b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

(c) Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 270. As at the date of this report, the company had 530 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

The Bendigo Stock Exchange (BSX) has advised that in its view the prohibited shareholding provisions are appropriate and equitable but the 'base number test' is not as a result the base number clause does not operate whilst the company remains listed on the BSX.

Note 15. Contributed Equity (continued)

Prohibited shareholding interest (continued)

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

	2011 $	2010 $
Note 16. Retained Earnings		
Balance at the beginning of the financial year	522,786	208,901
Net profit from ordinary activities after income tax	543,969	445,806
Dividends paid or provided for	(190,554)	(131,922)
Balance at the end of the financial year	**876,201**	**522,786**

Note 17. Statement of Cashflows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities		
Profit from ordinary activities after income tax	543,969	445,806
Non cash items:		
- depreciation	63,847	65,214
- amortisation	13,992	12,000
- loss on sale of assets	18,594	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(21,790)	(3,358)
- (increase)/decrease in other assets	(4,513)	(79)
- increase/(decrease) in payables	(5,670)	(3,967)
-increase/(decrease) in provisions	30,286	(32,531)
-increase/(decrease) in current tax liabilities	(69,395)	117,963
Net cashflows provided by operating activities	**569,320**	**601,048**

Note 18. Leases

	2011 $	2010 $
Finance lease commitments		
Payable - minimum lease payments		
- not later than 12 months	28,304	15,950
- between 12 months and 5 years	-	28,304
- greater than 5 years	-	-
Minimum lease payments	**28,304**	**44,254**
Less future finance charges	(1,147)	(4,162)
Present value of minimum lease payments	**27,157**	**40,092**
The Holden Berlina chattel mortgage, which commenced in 2007, is a 4-year contract. Interest is recognised at an average rate of 8.65% (2010: 8.65%).		
The Honda Civic chattel mortgage, which commenced in 2008, is a 4-year contract. Interest is recognised at an average rate of 8.95% (2010: 8.95%).		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	84,000	30,951
- between 12 months and 5 years	301,000	-
- greater than 5 years	-	-
	385,000	**30,951**

The Rye Rental lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance.

Note 19. Auditors' Remuneration

Amounts received or due and receivable by the auditor of the company for:

	2011 $	2010 $
- audit and review services	6,688	7,282
- non audit services	1,650	420
	8,338	**7,702**

Note 20. Director and Related Party Disclosures

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

Shane Christopher McCarthy

Stephen Bernard Edmund

Gary Michael Cain

Patricia Tonks

Eileen Naylor

Barry Leonard Irving

Andrew Ross Emerson

Janet Iris Hall

Dorothy Mortlock

The Board has adopted a policy in respect to director fees with the following objectives:

- To attract and retain appropriately qualified and experienced directors; and
- To remunerate directors in regard to their responsibilities.

In accordance with Board policy, director remuneration comprises a base fee together with a 9% superannuation guarantee charge.

Directors fees are determined by the Board and are not to exceed $100,000 in aggregate, the allocation of which is determined at the discretion of the Board. This policy was approved by the shareholders at the 2007 Annual General Meeting held 31st October 2008.

During the normal course of business operations, Rye & District Community Financial Services Limited utilised services offered by local community business. Some of these transactions included businesses in which some Directors have direct or indirect interest. These transactions are considered to be made at an arms length basis and are on normal commercial terms.

Shane McCarthy is a director of McCarthy Partners Solicitors which supplied the company with legal services during the financial year. During the financial year the total benefit received by McCarthy Partners Solicitors was $2,849 (2010 $0).

Directors Shareholdings	**2011**	**2010**
Shane Christopher McCarthy	7,404	7,404
Patricia Tonks	42,236	42,236
Eileen Naylor	50,000	50,000
Barry Irving	4,100	4,100
Andrew Ross Emerson	4,000	4,000
Janet Iris Hall	4,800	4,800
Stephen Bernard Edmund	7,200	7,200
Gary Michael Cain	5,000	5,000
Dorothy Mortlock	-	-

	2011 $	2010 $

Note 21. Dividends Paid or Provided

	2011 $	2010 $
a. Dividends paid during the year		
Prior year proposed final		
100% (2010: 100%) franked dividend - 6.5 cents (2010: 4.5 cents) per share	**190,554**	**131,922**
b. Dividends proposed and recognised as a liability		
Current year final dividend		
100% (2010: 100%) franked dividend - 6.7 cents (2010: 6.5 cents) per share	**196,418**	**190,554**
The tax rate at which dividends have been franked is 30% (2010: 30%).		
Dividends proposed will be franked at a rate of 30% (2010: 30%).		
c. Franking account balance		
Franking credits available for subsequent reporting periods are:		
- franking account balance as at the end of the financial year	173,616	152,624
- franking credits that will arise from payment of income tax payable as at the end of the financial year	206,745	77,530
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year	(81,666)	(56,538)
Franking credits available for future financial reporting periods:	**298,695**	**173,616**
- franking debits that will arise from payment of dividends proposed or declared before the financial report was authorised for use but not recognised as a distribution to equity holders during the period	(84,179)	(57,166)
Net franking credits available	**214,516**	**116,450**

Note 22. Earnings Per Share

	2011 $	2010 $
(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	543,969	445,806
	Number	**Number**
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,931,605	2,931,605

Note 23. Events Occurring After the Balance Sheet Date

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

Note 24. Contingent Liabilities

During 2008 Rye & District Community Financial Services Limited entered an agreement with The Portsea Camp to provide sponsorship of $10,000 per annum for a 10 year period commencing 14 March 2008. The sponsorship is payable monthly in instalments.

	$
Amount already paid	32,500
Payable in 1 year or less	10,000
Payable in over 1 to 3 years	30,000
Payable in over 3 years	27,500
Total payable	100,000

During 2010 Rye & District Community Financial Services Limited also entered an agreement with the Australian Volunteer Coastguard to provide support for the Safety Beach Flotilla by providing sponsorship of $10,000 per annum for a 5 year period.

Amount already paid	20,000
Payable in 1 year or less	10,000
Payable in over 1 to 3 years	20,000
Total payable	**50,000**

Note 25. Segment Reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services in Rye District, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 26. Registered Office/Principal Place of Business

The entity is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office

Rye & District Community Financial Services Ltd
2271 Point Nepean Road
Rye Vic 3941

Principal Place of Business

Rye & District Community Financial Services Ltd
2271 Point Nepean Road
Rye Vic 3941

Rye & District Community Financial Services Ltd
239 Point Nepean Road
Dromana Vic 3936

Note 27. Financial Instruments

Net Fair Values

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

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest Rate Risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 %	2010 %
Financial Assets												
Cash and cash equivalents	300,560	47,446	209,412	779,514	-	-	-	-	475	475	3.72	3.84
Receivables	-	-	-	-	-	-	-	-	260,473	238,683	N/A	N/A
Financial Liabilities												
Interest bearing liabilities	-	-	-	-	27,156	40,091	1,233,484	349,753	-	-	5.68	8.65
Payables	-	-	-	-	-	-	-	-	326,207	27,264	N/A	N/A

Directors' declaration

In accordance with a resolution of the directors of Rye & District Community Financial Services Limited, we 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 2011 and of its performance for the financial year ended on that date; and

(ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(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.

(c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the board of directors.

Shane Christopher McCarthy Llb GAICD, Chairman

Patricia Tonks, Treasurer

Signed on the 9th of September 2011.

Independent audit report

Partners in success

Chartered Accountants

Independent Auditor's Report To The Members Of Rye & District Community Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Rye & District Community Financial Services Limited, which comprises the balance sheet as at 30 June 2011, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and 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 fair accounting estimates that are reasonable in the circumstances. In note 1, the directors also state in accordance with the Accounting Standard AASB 101 Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our 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, we consider internal controls relevant to the entity's preparation and presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 51 061 795 337.

P: (03) 5443 0344 | F: (03) 5443 5304 | 61-65 Bull St./PO Box 454 Bendigo Vic. 3552 | afs@afsbendigo.com.au | www.afsbendigo.com.au

TAXATION • AUDIT • BUSINESS SERVICES • FINANCIAL PLANNING

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion on the Financial Report

In our opinion:

1) The financial report of Rye & District Community Financial Services Limited is in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 30 June 2011 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards and the Corporations Regulations 2001.

2) The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Rye & District Community Financial Services Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

GRAEME STEWART
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

9th September 2011

BSX report

Share Information

In accordance with Bendigo Stock Exchange listing rules, the Company provides the following information as at 23 September 2011, which is within 6 weeks of this report being sent to shareholders.

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

Number of shares held	Number of shareholders
1 to 1,000	79
1,001 to 5,000	335
5,001 to 10,000	60
10,001 to 100,000	57
100,001 and over	1
Total Shareholders	**532**

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

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

There are 2 shareholders holding less than a marketable parcel of shares ($500 in value).

There are no restricted securities on issue.

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

The following table shows the 14 largest shareholders

Shareholder	Number of shares	Percentage of capital
Planned Living Pty Ltd <Superannuation Fund A/C>	101,000	3.45
Thomas Leigh Atf The Waring Superannuation Fund	76,400	2.61
John Leonard Seeber	60,000	2.05
Bernard Wilfred & Patricia Tonks	42,236	1.44
Kadan Superannuation Pty Ltd	39,199	1.34
Louise Rose Whitehead	35,088	1.20
Kenneth Jack & Gloria Peggy Spunner	32,000	1.09
Martin John Naylor	26,000	0.89
Eileen Naylor	24,000	0.82
Hilmi Kusari	24,000	0.82
Ian John Mcbeath & Carmel Ann Davis	24,000	0.82

BSX report continued

The following table shows the 14 largest shareholders (continued)

Shareholder	Number of shares	Percentage of capital
Norma Maureen Pitt	24,000	0.82
Peter Van Duren Atf <Van Duren Family Super A/C>	24,000	0.82
Steven Frank Burley	24,000	0.82
	555,919	**19.15**

Registered Office and principal administrative office

The registered office of the Company is located at:
2271 Point Nepean Road,
Rye VIC 3941
Phone: (03) 5985 9755

The principal administrative office of the Company is located at:
239 Point Nepean Road,
Dromana VIC 3936
Phone: (03) 5987 0754

Security Register

The security register (share register) is kept at:
Richmond Sinnott Delahunty Pty Ltd
Woodbury Court,
172-176 McIvor Road,
Bendigo VIC 3552
Phone: (03) 5443 1177

Company Secretary

The Company Secretary is Eileen Naylor who was appointed to the position of Secretary on 24 November 2004.

Corporate governance

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

(a) The establishment of an Audit & Governance Committee

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

(c) Ongoing Director training; and

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

Annexure 3A

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

Sponsorship allocations

Community Group/recipient	Total investment
3RPP - Community Radio Station	$5,000
Abacus Learning Centre	$500
Anglican Parish of Sorrento & Rye	$3,000
Art Red Hill	$500
Blairgowrie Tennis Club	$500
Boneo Braves Baseball Club	$500
Dromana Art Show	$1,250
Dromana Australia Day Celebrations	$5,000
Dromana Bay Life Saving Club	$500
Dromana Bowls Club	$2,500
Dromana Chaplaincy Committee	$1,000
Dromana Cricket Club	$500
Dromana Football Club	$8,000
Dromana Junior Football Club	$2,500
Dromana Potters Exhibition	$200
Dromana Pre-school Centre	$500
Dromana Primary School	$7,700
Dromana Secondary College	$2,000
Dromana Tennis Club	$500
Dromana Valley Probus Club	$560
Eastbourne Primary School Market	$396
Fit2drive Fun Run	$5,000
Flinders District Bowls Association	$2,500
Flinders District Lions Club	$2,000
Flinders Tennis Club	$500
Ingham Growers Association	$1,150
Main Ridge Tennis Club	$500
Morn Pen Veterans Golf Association	$500
Mornington Baseball Club	$500
Mornington Peninsula Art Show	$5,000
Mornington Peninsula Bodyboard Club	$500
Mornington Peninsula Community Dog Club	$500
Mornington Peninsula Cricket Association	$2,500
Mornington Peninsula Junior Football League	$8,250

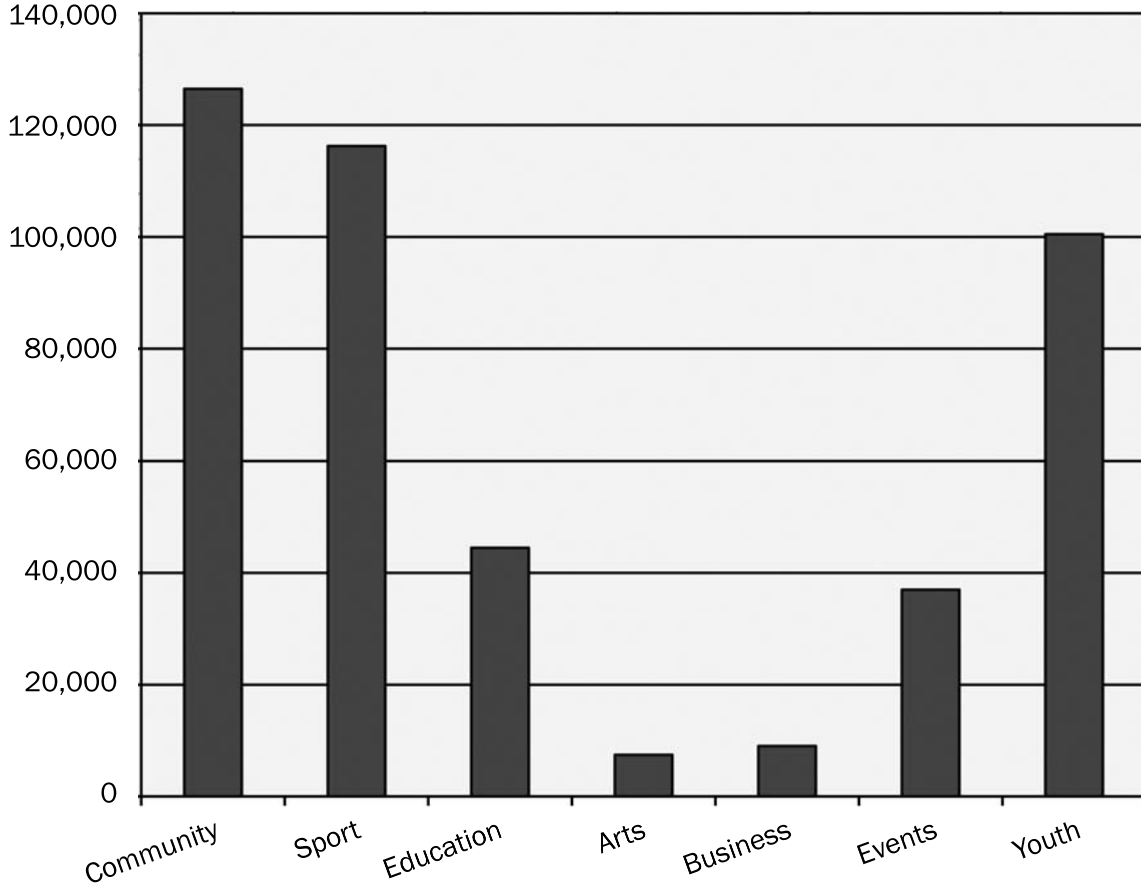
Community Group/recipient	Total investment
Rosebud & McCrae Life SAving Club	$2,000
Rosebud Bowls Club	$2,500
Rosebud Chamber of Commerce	$5,000
Rosebud Country Club Bowls	$2,500
Rosebud Cricket Club	$500
Rosebud Fire Brigade - new fire truck (Four-year contribution)	$30,000
Rosebud Football Club	$8,000
Rosebud Heat Junior Soccer Club	$1,000
Rosebud Men's Probus Club	$415
Rosebud Rebels Roller Derby Club	$500
Rosebud Rock 'n Rod Festival	$500
Rosebud Tennis Club	$500
Rotary Club of Dromana	$14,216
Rotary Club of Dromana - Peninsula Craft Expo	$500
Rotary Club of Mt Martha	$2,000
Rotary Club of Sorrento	$1,000
Rye & Peninsula Greek Women's Group	$500
Rye Beach Commerce Association	$2,000
Rye Beach Community Centre	$500
Rye Beach Probus Club	$150
Rye Bowls Club	$2,500
Rye Cemetery Trust	$10,956
Rye Fire Brigade	$8,000
Rye Football Club Golf Day	$500
Rye Football Netball Club	$8,000
Rye Junior Football Club	$2,500
Rye Tennis Club	$1,000
Rye Yacht Club	$2,500
Rye Youth Centre	$50,000
Safety Beach Sailing Club	$1,000
Safety Beach Golf Club	$2,000
Scout Association of Australia	$600
Sorrento Bowls Club	$2,500
Sorrento Football Club	$8,000

Sponsorship allocations continued

Community Group/recipient	Total investment
Mornington Peninsula Netball Association	$5,000
Mornington Peninsula Schools Environment Week	$1,000
Mornington Peninsula Shire - Corporate Sponsorship	$20,000
Mornington Peninsula Shire Mayoral Charity Golf Day	$2,000
Mornington Peninsula Shire Mayoral Charity Ball	$2,000
Mornington Peninsula Youth Enterprises	$500
Mornington Soccer Club	$1,000
Mt Martha Bowls & Social Club	$2,500
Mt Martha Junior Football Club	$2,500
Mt Martha Life Saving Club	$500
Mt Martha Netball Club	$500
National Seniors Association	$500
Nepean Netball Association	$10,000
Nepean Relief Fund -Charlton Flood Appeal	$5,000
New Peninsula Community Caring	$1,500
Peninsula Obedience Dog Club	$90
Peninsula Special Development School	$20,000
Probus Club of Safety Beach	$500
Red Hill & District Memorial Pre-school	$1,000
Red Hill Consolidated School	$8,400
Red Hill Country Music Festival	$3,000
Red Hill District Lions Club - Community Newsletter Sponsorship	$895
Red Hill Junior Football Club	$2,500
Red Hill Tennis Club - Lighting project	$500

Community Group/recipient	Total investment
Southern Peninsula Pony Club	$500
Southern Peninsula Classic & Historic Car Club	$500
Southern Peninsula Community Care	$500
Southern Peninsula Little Athletics Centre	$1,000
St Andrew's Beach Community Day	$500
St Andrews Beach Kindergarten	$500
St Andrews Beach Petanque Club	$100
St Mark's Anglican Parish Dromana	$12,000
Sth Mornington Football Club	$2,500
Sthn Peninsula Cancer Support Centre	$6,000
Sthn Peninsula Food for All	$4,800
Sthn Peninsula Indoor Bias Bowls Association	$400
The Dunes Golf Club	$500
The Village Glen Bowls Club	$5,000
The Village Glen Fidelity Club	$500
The Village Glen Golf Club	$2,500
Tootgarook Netball Club	$500
Tootgarook Pre-school	$1,500
Victorian Farmers Federation	$880
Youth Foundation Victoria	$50,000
Vinnies Kitchen	$4,800
West Rosebud Bowls Club	$2,500
Woodworkers of the Southern Peninsula	$5,000

Sponsorship allocations continued



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239 Point Nepean Road, Dromana VIC 3936
Phone: (03) 5981 0106

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PO Box 301, Rye VIC 3941
Phone: (03) 5985 2971
ABN: 67 095 766 895

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Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879.
(BMPAR11017) (07/11)

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