Toodyay & Districts
Community Financial Services Limited

Annual Report 2008 - 2009

CONTENTS

Between 1993 and 2000, more than 2050 bank branches closed across Australia. These closures represented a 29% reduction in branch numbers in just seven years and many communities were left without branch banking facilities.
Bendigo Bank identified this trend and recognised the impact the reduction in branch numbers was having on communities.

The **Community Bank®** story first started in 1998 when Bendigo Bank partnered with the Victorian communities, Rupanyup and Minyip, to establish a banking pilot to return banking services to the towns. It succeeded, and since the twin branches inception a decade ago, more than $450,000 in profits has been channelled back into community projects.

When it first started, **Community Bank®** was eagerly sought out by many rural communities looking for a sustainable solution to branch banking that could be quickly implemented, but the model has proven to translate into metropolitan communities and now is one of the fasted growing banking networks in Australia.

The number of **Community Bank®** branches has doubled in the last four years and in the same time frame, customers have tripled their commitment of banking business to the community network, increasing it to more than $14.9 billion.

More importantly, in excess of $30.4 million in **Community Bank®** branch profits has been returned to community projects and $10 million has been paid in dividends to more than 60,000 local shareholders.

And behind those numbers are hundreds of stories of **Community Bank®** branches making a real difference to the lives of local people.

Whether it's building a community hall, sponsoring an art prize or even buying new footy jumpers for the local side - these **Community Bank®** branches are helping improve the economic and social prospects of their local communities.

Add to those contributions the employment of more than 1000 staff members and daily expenses in the local economy and you have a truly meaningful contribution to those communities and to local prosperity.

Today, there are more than 230 **Community Bank®** branches right across Australia from Alice Springs in the Northern Territory, Augusta in the West and Dover in Tasmania.

The success of the **Community Bank®** network in it's first decade indicates that the sky is the limit for communities that choose to realise the ambitions they have for the economic security of their residents and businesses.

Toodyay & Districts Community Financial Services have just celebrated our 9th Birthday and we are still growing strong.
Since opening in 1999 we have given back to our community over $260,000.

We look forward in the future to helping the community and working with the people of Toodyay and the surrounding areas.

It all starts with U.

The past financial year has been a year of firsts for many of us.

Many of us have never endured a global financial crisis and many will not wish to again. But 2008/2009 will be a year to remember for the challenges we have faced and worked hard to overcome.

Our Community Bank company has continued to operate profitability. The board and our partner's (Bendigo and Adelaide Bank's Limited) conservative practices have stood the company in good stead despite changes in the global economy.

The board this year has been all hands to the wheel to steer the company through these tough times and the learning from this experience has substantially improved the knowledge of all members.
Unfortunately we said goodbye to Andrew Wilkinson, Paula Greenway and John Mills. These members have contributed such great value to the company and community. Many will have been touched by Paula's contribution to the youth grant.

We have also welcomed a new manager in Grant Mcleod and he has settled in well. The staff of our Community Bank branch has again proved to us, the board, and you, the community their enormous value. We are so very thankful for their efforts.

Please read this annual report and make yourself heard with any issues you may have at the Annual General Meeting. The future is sure to be trying, but the board is up to the challange.

We look forward to seeing you at the Annual General Meeting; 7.00pm, 20th October 2009, Toodyay Community Centre.

And as I stated in the beginning, **It all starts with U and the benefit will all end up with U.**

Steven Stanbrook
Chairman

MANAGER'S REPORT

In the last 12 months we have endured one of the most tumultuous financial years in history. This has fundamentally changed the nature of banking, especially overseas where much of the world's banking system has been nationalised as economies have struggled to cope.
Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

Amidst all that turmoil, **Toodyay & Districts Community Bank®** Branch has continued to grow.

Our conservative practices have stood the branch in good stead and despite the rapid movements in interest rates and underlying conditions, it has continued to operate profitably. We have prudentially wound back on some items and programs, but have continued to seek the balance between the community, our shareholders and the business. **Toodyay & Districts Community Bank®** Branch is well placed to move forward with a major re-fit in the coming months which we believe will further improve our customer facing service and bring us even closer to our customers.

And of course this means more money retained and spent locally. Several staffing changes during the year has seen the need to bring some new faces to the team, myself being one of them. We have recently appointed Jason Cendron-Harvie and Robyn Weir to our full time and part time Customer Service Officer teams respectively. This adds to the local economy as the flow on effect of wages being spent locally and yet more because of the extra spending in our community made more prosperous and active by having our own bank.

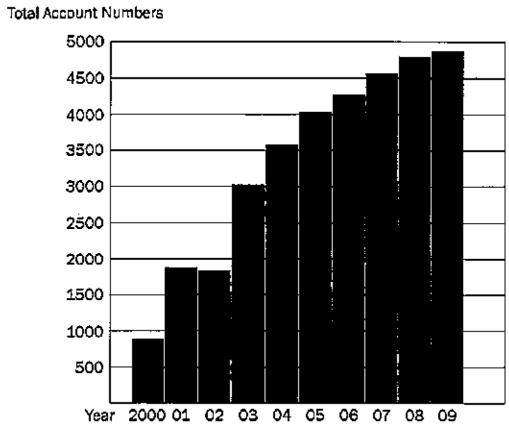
Several new fund raising initiatives and ways of supporting the local community are under development and will continue to link the bank to the community that supports it. We continue to focus on a mobile offering with our Business Development Manager Barry Vose out and about around town as much as possible. Please call 0458 692 265 to make an appointment with Barry or 9574 4077 at the branch.

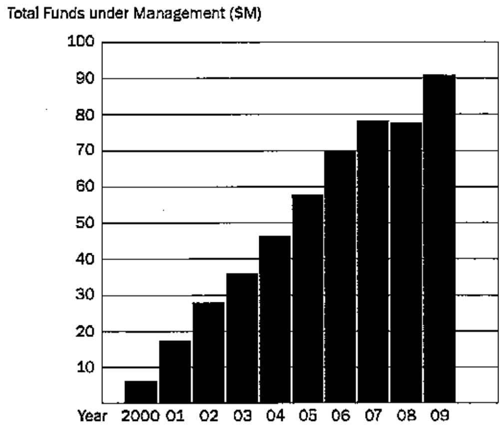
The **Toodyay & Districts Community Bank®** Branch has not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Limited, we have received less income than in normal times. But also like Bendigo and Adelaide Bank Limited, we have not needed anyone's help through the crisis. Every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities, for the better of all.

Grant Mcleod
Branch Manager

Toodyay and Districts Community Financial Services Limited soon will celebrate 10 successful years working with the community of Toodyay and the surrounding areas, and also the established Franchise Agreement with the Bendigo and Adelaide Bank.

As we continue to work with our community of families and local business, our Community Bank will grow and become more successful to both our expanding community and our strong company and branch.



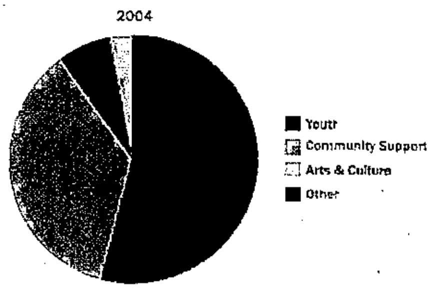


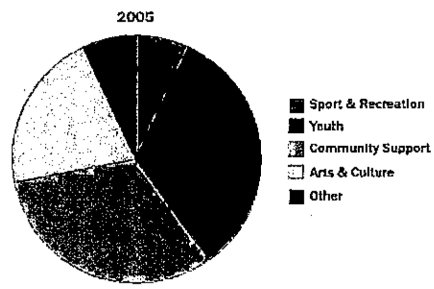
The amount paid in dividends for the year 2008 to our shareholders is 13 cents per share.
The total amount paid is $44,507.

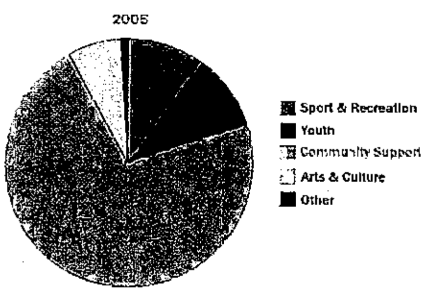
As all financial institutions have found throughout this financial year, times have been tough and we have all had to be conservative on spending.

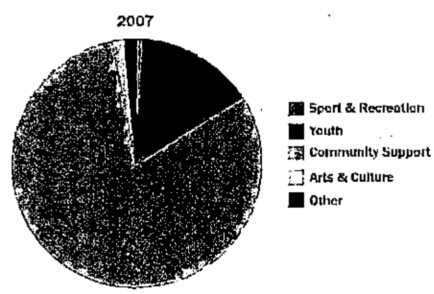
The below charts show the share of profits that have been presented back to the community since 2004.

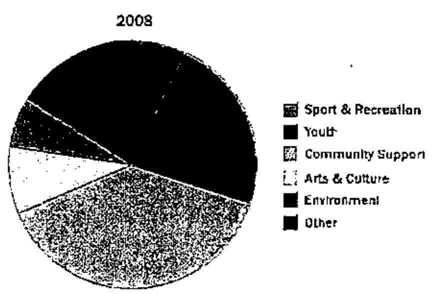
2004	2005	2006	2007	2008	2009
$5,514	$14,217	$75,340	$74,561	$69,886	$40,077

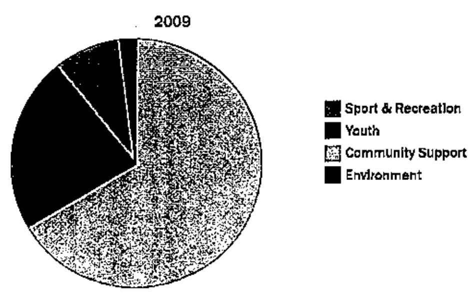












Recipients of Support

During the financial year of 2008/2009 some of the major recipients of our Community Support were:

Toodyay Chamber of Commerce $1300
Toodyay Music Festival $4000
Toodyay Lions Club in aid of the Royal Flying Doctors $10,000
Toodyay Senior High School Work Experience Program $2060
TDFS Youth Grant $4575
In association with the Bendigo Bank's Community Enterprise Foundation $10,000 was donated to the communities of Victoria after the devastating fires
Toodyay Scout Group $3000

Numerous smaller donations were also made including:
Toodyay Bowling Club $350
Toodyay Golf Club $300
Toodyay Baseball Club $580
Avon Valley Horse Riding Club $500
Northam Hospital Nurses Garden $550
Toodyay Rates Incentive $500
Toodyay RSL $500
Earth Solutions Expo $500

The $5000 youth grant in 2008 was awarded to Chelsea Wedlake. This grant is designed to help the student further their studies in their chosen career. The student is chosen by a committee made up from representatives within the community after they have filled out an application form and have been interviewed by the committee.

Chelsea's achievements to date in her studies are finishing a Certificate II in Business and now completing her Certificate III in Business and Administration.

All of the board and the youth grant committee wish her and the previous participants well in the future and always look forward to updates in their progress.

Youth Grant

Business Development Manager

Mobile banking is exactly that, bringing the bank to your door to discuss your financial requirements in the comfort of your home or workplace at a time that suits an often hectic lifestyle.

The board of **Toodyay & Districts Community Bank®** recognised the need for this type of banking service in early 2008 and in June of that year appointed Barry Vose (now known as Bendigo Baz) as the Business Development Manager.

To date, many people have taken the opportunity to discuss their various banking requirements in the privacy of their home or workplace to discuss home purchase, renovations, investment opportunities, vehicle and machinery purchase, both private and commercial, debt consolidation and many other aspects of banking.

Being community driven the bank is also represented at many community functions, sporting events, non profit community events and volunteer organisations delivering a true mobile banking service and representation.

Give Barry a call to discuss any of your needs on 0458 692 265 and let him bring the friendly **Community Bank®** service to you!

Our 9th Birthday Celebrations

Everyone who came to the birthday celebrations this year had a great time. Who couldn't with ice cream, cool drinks and the big birthday cake!

Enjoying a picnic while watching 'Space Monkey's' on the big screen with the rest of the community was the best way to celebrate nine years of helping to support the community of Toodyay and surrounding Districts.

What is in store for our BIG 10th birthday? ..... More fun, more support and maybe even a presie for Toodyay !

Branch of the Future

It is hard to think that our Toodyay branch is going to be 10 years old in March, time moves very quickly and with that so does progress.

When we opened we were a newly fitted out, ready for the moment, lets get into our community, branch.

Whilst our service and commitment to the community has grown, our branch is looking tired, is not as effective as it could be and is ready for a major upgrade.

I was given the opportunity to spend two days up in Geraldton, at the latest branch to be opened in WA.
It was a great experience to be able to look at new technology, a customer friendly layout and how it will take banking forward in time.

It is called "Branch of the Future", it is modern, bright and brings the 'wow' factor with it!

The branch is open plan, with separate areas for more confidential sit down discussions, interview offices, counter transactions, an internet banking access point and many more great features.
It will allow more easy access for staff interaction with our customers, whilst giving our customers even greater service.

Change always brings mixed comments as we move out of our comfort zones and embrace new concepts and ways of doing things.
What a wonderful position we are in to be growing successfully with our community and seeking more effective ways to serve our customers.

Join us as we embrace our future and move positively forward into our "Branch of the Future".

Margret O'Sullivan
Customer Service Supervisor

Your directors present their report on the company for the year ending 30th June 2009
The following are the directors in office at any time during or since the end of the year.

Steve Joseph Stanbrook
Non Executive Chairperson

Occupation: Company Director

Background: Currently Director/CEO of The Little Farm Company Australia, with experience in the insurance, agriculture and tourism industry.
Since becoming a director Steven has completed his Diploma of Company Directorship and is currently completing his Masters of Business Administration.

A director on the Community Company Board since 1999.

Directorships held in other listed entities: None

Interest on shares and options: 2001 shares

Richard John Dymond
Non Executive Director/Treasurer

Occupation: Company Director/Investor

Background: 25 years experience in retail. He has been involved in many local community groups including theatre, tourism, P & C, Swimming Pool Action Committee, Toodyay Herald and the Montessori School Committee

A director on the Community Company Board since 1999.

Directorships held in other listed entities: None

Interest on shares and options: 10,001 shares
11,000 interest in shares

Robert John Welburn
Non Executive Director

Occupation: Farmer/Earthworks contractor

Background: Loans manager for 16 years, business consultant for 5 years and currently proprietor of Avon Dingo for 11 years. He has been involved in numerous clubs and sporting groups over time including the P & C, Toodyay Football Club, T ball, baseball and Toodyay 4WD Club.

A director on the Community Company Board since 1999.

Directorships held in other listed entities: None

Interest on shares and options: 1,001 shares
6,300 interest in shares

Gregory Michael Downie
Non Executive Director

Occupation: Business Proprietor

Background: Involved in the building industry for 25 years. Currently operates a hardware and rural supply business with wife Carolyn. He is an active member of the Toodyay Community.

A director on the Community Company Board since 2003.

Directorships held in other listed entities: None

Interest on shares and options: 2000 shares

Paula Ann Greenway
Non Executive Director

Occupation: Business Proprietor

Background: Paula with her husband have been small land owners in Toodyay for 25 years. They have raised their girls in the town and Paula has been involved with many community groups over the years. She is a business partner in their family transport business and runs her own Potters studio supplying Perth and interstate. She works with the local tourist industry.

A director on the Community Company Board since 2004.

Directorships held in other listed entities: None

Interest on shares and options: None

Vicki Susan Wesley
Non Executive Director/Secretary

Occupation: Business Proprietor

Background: 20 years within the sign and printing industry. For the past 16 years she has run her own sign and printing business. Further expanded this year into promotional products. Also runs a 14 acre property in Toodyay breeding alpacas. An emergency call volunteer fire fighter for Julimar Fire Shed.

A director on the Community Company Board since 2007.

Directorships held in other listed entities: None

Interest on shares and options: 1000 shares

Andrew Wilkinson and William John Francis Mills were Directors during the start of the 2008/2009 financial year and retired as Directors on the 1st November 2008.

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows;

Names of Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Steven Joseph Stanbrook	11	10
Richard John Dymond	11	9
Robert John Welburn	11	7
Gregory Michael Downie	11	10
Paula Ann Greenway	11	9
Vicki Susan Wesley	11	11
Andrew Wilkinson	5	3
William John Francis Mills	5	5

Company Secretary
William John Francis Mills (Resigned 1st November 2008)
Vicki Susan Wesley (Appointed 1st November 2008)

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

Operating results
The profit of the company after providing for income tax amounted to $18,158.

Dividends paid or recommended
The Company paid or declared for payment dividends of $44,507 during the year.

Financial position
The net assets of the Company have decreased from $479,564 as at 30th June 2008 to $453,215 as at 30th June 2009, which is a decline on prior year.

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

Awards presented to **Toodyay & Districts Community Bank®** for 2007/2008

Community Bank Awards at the WA State Conference 2008
Toodyay & Districts Community Bank® won First Prize for Community Projects.

Toodyay & Districts Community Bank® won the Best Annual Report 2007/2008 from the Australian Shareholders Association.

INTRODUCING NEW DIRECTOR'S

Jenny Cornwell
Non Executive Director

Occupation: Alpaca breeder and Mini Mill Fleece Processing owner

Background: On emigrating 30 years ago she initially practised as a midwife in rural areas and then as a podiatrist in Perth. Currently achieving a long term goal owning a beautiful property just outside Toodyay.
For the past year has been running one of only two processing mills in WA, proudly both mills are situated in Toodyay.

A director on the Community Company Board for 3 months.

Directorships held in other listed entities: None

Interest on shares and options: None

Michael Knowles
Non Executive Director

Occupation: Business Proprietor

Background: Have been in Toodyay since 1999. Started and run first business 'Toodyay Freight' for four years. Opened Brewbakers and still having fun. Current President Toodyay Chamber of Commerce.

A director on the Community Company Board for 3 months.

Directorships held in other listed entities: None

Interest on shares and options: 1500 shares

Robert Millar
Non Executive Director

Occupation: Retired

Background: 32 years working within Shire offices all over WA. Worked as a school bus contractor for 18 years, owning the business.
Has been involved on various State committees from transport to tourism and scouts.
Involved at present with the Toodyay Agricultural Society as vice chairman/treasurer and Toodyay Masonic Lodge treasurer.

A director on the Community Company Board for 3 months.

Directorships held in other listed entities: None

Interest on shares and options: 500 shares
500 interest in shares

Significant changes in state of affairs

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

After balance date events

No matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future developments

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

Options

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

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

Indemnifying officers or auditor

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

Environmental issues

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

Proceedings on behalf of Company

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

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

Corporate governance

Corporate Governance deals with issues such as:

a) The responsibilities and functions of the company's board, including strategic direction and monitoring management performance.

b) Board membership.

c) Audit Committee.

d) Risk management and the effectiveness of the internal business controls.

e) Ethical standards.

f) Accountability to all stakeholders.

The Board recognises the importance of good corporate governance as a means of protecting all current and future stakeholders. Our company has two tiers of continuous improvement to ensure the highest level of corporate governance in the form of the following:

1. The current set of Policies and Procedures are continually being up dated to facilitate greater transparency and efficiency of operation.
2. Board members are continually improving their learning of the board member function by attending and participating in internal and external education opportunities. This ensures that their knowledge is current and informed.

Non-audit services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

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

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30th June 2009:

Taxation services: $9,600

REMUNERATION REPORT

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

Remuneration of Directors

Income paid or was payable or otherwise made available to the Directors of the Company during the years ended 30th June 2009 and 30th June 2008 as follows

Names of Directors	2009	2008
Gregory Michael Downie	$1,000	$1,000
Richard John Dymond	$3,000	$3,000
Steven Joseph Stanbrook	$4,000	$4,000
Paula Ann Greenway	$1,000	$1,000
Vicki Susan Wesley	$4,000	-
Robert John Welburn	$3,000	$1,000
Andrew Barclay Wilkinson	-	$1,000
Total Remuneration	**$16,000**	**$11,000**

Remuneration of Executives

During the 2009 year William John Francis Mills provided management services to the Company as Executive Director through his consultancy Marama Pty Ltd trading as RF Business Solutions. During the year he was paid $21,268.00 (2008:$39,555.64) that was based on hours worked and we are advised that the Company was charged at a rate equal to or less than the rate applicable to other commercial clients of his business.

Remuneration policy

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

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

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), and superannuation.
- The Board reviews key management personnel packages annually by reference to the Company's performance, Executive performance and comparable information from industry sectors.

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

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

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

Performance-based remuneration

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

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

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

Company performance, shareholder wealth and executive remuneration

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

Key management personnel remuneration policy

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

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

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

Key management personnel remuneration

2009

	Salary, Fees and Commissions	Superannuation Contribution	Cash Bonus	Non-cash Benefits	Total	Performance related
	$	$	$	$	$	%
Glenn Rodgers	13,957	1,256	-	-	15,213	-
Barry Vose	62,799	5,652	-	-	68,451	-
	76,756	**6,908**	**-**	**-**	**83,664**	**-**

2008

	Salary, Fees and Commissions	Superannuation Contribution	Cash Bonus	Non-cash Benefits	Total	Performance related
	$	$	$	$	$	%
Glenn Rodgers	69,557	6,260	-	-	75,817	-
	69,557	**6,260**	**-**	**-**	**75,817**	**-**

Performance income as a proportion of total remuneration

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

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

Auditor's Independence Declaration

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

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Director ____________________

Dated this 21st day of September 2009

RSM Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Toodyay & Districts Community Financial Services Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J WALL
Partner

Perth, WA
Dated: 2 SEPTEMBER, 2009

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		$	$
Revenue	2	984,957	977,203
Employee benefits expense		(408,703)	(375,760)
Depreciation and amortisation expense		(32,540)	(12,876)
Finance costs		(23,889)	(21,845)
Other expenses	3	(489,599)	(365,725)
Profit before income tax		30,226	200,997
Income tax expense	4	(12,068)	(65,283)
Profit attributable to members		**18,158**	**135,714**
Overall operations			
Basic profit per share (cents per share)		5.3	39.6
Diluted profit per share (cents per share)		5.3	39.6

AS AT 30 JUNE 2009

	Note	2009 $	2008 $
CURRENT ASSETS			
Cash and cash equivalents	6	76,522	36,521
Trade and other receivables	7	83,712	91,079
Other current assets	8	15,814	13,883
Current Tax Asset	22	5,902	-
TOTAL CURRENT ASSETS		181,950	141,483
NON-CURRENT ASSETS			
Property, plant and equipment	9	685,293	704,503
Intangible assets	10	5,000	15,000
Deferred tax asset	22	9,973	6,252
TOTAL NON-CURRENT ASSETS		700,266	725,755
TOTAL ASSETS		**882,216**	**867,238**
CURRENT LIABILITIES			
Trade and other payables	11	50,509	33,724
Financial liability	12	21,008	41,664
Short-term provisions	13	30,365	20,838
Current tax liability	22	-	27,805
TOTAL CURRENT LIABILITIES		101,882	124,031
NON-CURRENT LIABILITIES			
Financial liability	12	327,119	263,643
TOTAL NON-CURRENT LIABILITIES		327,119	263,643
TOTAL LIABILITIES		**429,001**	**387,674**
NET ASSETS		**453,215**	**479,564**
EQUITY			
Issued capital	14	342,359	342,359
Retained earnings/(Accumulated losses)		110,856	137,205
TOTAL EQUITY		**453,215**	**479,564**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Share Capital (Ordinary shares)	Retained earnings/ (Accumulated losses)	Total
	$	$	$
Balance at 1 July 2007	342,359	42,575	384,934
Profit attributable to the members of the Company	-	135,714	135,714
Dividends paid or provided	-	(41,084)	(41,084)
Balance at 30 June 2008	**342,359**	**137,205**	**479,564**
Balance at 1 July 2008	342,359	137,205	479,564
Profit attributable to the members of the Company	-	18,158	18,158
Dividends paid or provided	-	(44,507)	(44,507)
Balance at 30 June 2009	**342,359**	**110,856**	**453,215**

The accompanying notes form part of these financial statements

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		$	$
Cash flows from operating activities			
Receipts from customers		990,479	958,055
Payments to suppliers and employees		(873,921)	(758,862)
Interest received		1,845	5,126
Borrowing costs paid		(23,889)	(21,845)
Income tax paid		(49,496)	(51,034)
Net cash provided by operating activities	15	45,018	131,440
Cash flows from investing activities			
Payments for plant and equipment		(3,330)	(32,731)
Payments for land and buildings		-	(671,212)
Net cash used in investing activities		(3,330)	(703,943)
Cash flows from financing activities			
Repayment of borrowings		(51,730)	-
Proceeds from borrowings		94,550	305,308
Dividends paid		(44,507)	(41,083)
Net cash provided by /(used) in financing activities		(1,687)	264,225
Net increase/(decrease) in cash held		40,001	(308,278)
Cash held at the beginning of the financial year		36,521	344,799
Cash held at the end of the financial year	**6**	**76,522**	**36,521**

The accompanying notes form part of these financial statements

1. Statement of significant accounting policies

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

The financial report covers the Company as an individual entity. The Company is a public company, incorporated and domiciled in Australia.

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

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

(a) Income tax

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

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

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

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

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

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

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

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

(b) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

Depreciation

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

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

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	20%

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

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

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

(c) Leases

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

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

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

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

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

(d) Financial instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

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

ii. Loans and receivables

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

iii. Held-to-maturity investments

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

iv. Available-for-sale financial assets

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

v. Financial Liabilities

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

Derivative instruments

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

The Company does not hold any derivative instruments.

Fair value

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

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Financial Guarantees

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

The Company has not issued any financial guarantees.

(e) **Impairment of assets**

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

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

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

(f) **Intangibles**

Franchise fee

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

(g) **Employee benefits**

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

(h) **Provisions**

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

(i) **Cash and cash equivalents**

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

(j) **Revenue and other income**

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

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

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

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

(k) **Borrowing costs**

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

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

(l) **Goods and services tax (GST)**

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

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

(m) **Comparative figures**

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

(n) **Critical accounting estimates and judgments**

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

Key estimates — Impairment

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

No impairment has been recognised in respect of intangibles for the year ended 30 June 2008. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2009 amounting to $5,000.

(o) New Accounting Standards for Application in Future Periods

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

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Company will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Company's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
  - where there is, in substance, no change to Company interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

  The Company will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.
- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134 , AASB 136 , AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Company's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101 : Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 200 7-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the

Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Company as a policy of capitalising qualifying borrowing costs has been maintained by the Company.

- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Company.

- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.

- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Company.

- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Company.

- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

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

(p) Authorisation for financial report

The financial report was authorised for issue on 21st September 2009 by the Board or Directors.

		2009 $	2008 $
2.	**Revenue**		
	Franchise margin income	954,148	948,888
	Interest revenue	1,845	5,126
	Other income	28,964	23,189
		984,957	**977,203**
3.	**Expenses**		
	Advertising and marketing	6,040	34,130
	ATM leasing and running costs	33,587	41,461
	Bad debts	5,161	443
	Community sponsorship and donations	71,725	42,529
	Consultancy	70,466	39,556
	IT leasing and running costs	38,127	39,013
	Insurance	19,084	13,664
	Occupancy running costs	51,455	22,340
	Postage and freight	4,042	8,962
	Printing and stationary	16,960	17,510
	Property running costs	5,339	6,156
	Other operating expenses	167,613	99,961
		489,599	**365,725**
	Remuneration of the auditors of the Company		
	Audit services	11,286	7,071
	Other services	9,600	4,500
		20,886	**11,571**

4. Income tax expense

	2009 $	2008 $
a. The components of tax expense comprise:		
Current tax	15,789	66,509
Deferred tax (Note 22)	(3,721)	(1,226)
	12,068	**65,283**
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2008: 30%)	9,068	60,299
Add:		
Tax effect of:		
non-deductible depreciation and amortisation	3,000	3,000
other non-allowable items	-	1,984
Income tax attributable to the Company	**12,068**	**65,283**

5. Key management personnel compensation

a. Names and positions

Name	*Position*
Steven Stanbrook	Chairman / Director
Gregory Downie	Director
Richard Dymond	Director / Treasurer
Paula Greenway	Director
Robert Welburn	Director
Vicki Wesley	Company Secretary / Director

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

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

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

c. Option holdings

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

d. Shareholdings

Number of ordinary shares held by key management personnel

2009

	Ordinary Shares			
Directors	*Balance at beginning of period*	*Purchased during the period*	*Other changes*	*Balance at end of period*
Gregory Downie	2,000	-	-	2,000
Richard Dymond	20,501	500	-	21,001
Steven Stanbrook	2,001	-	-	2,001
Paula Greenway	-	-	-	-
Robert Welburn	7,301	-	-	7,301
Vicki Wesley	-	1,000	-	1,000
	31,803	**1,500**	**-**	**33,303**

		2009 $	2008 $
6.	**Cash and cash equivalents**		
	Cash at bank and in hand	**76,522**	**36,521**
	Reconciliation of cash		
	Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
	Cash and cash equivalents	76,522	36,521
		76,522	**36,521**
7.	**Trade and other receivables**		
	Trade debtors	**83,712**	**91,079**

a. Provision For Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

There is no provision for impairment of receivables.

		2009 $	2008 $
8.	**Other assets**		
	Current		
	Prepayments	**15,814**	**13,883**

		2009 $	2008 $
9.	**Property, plant and equipment**		
	Land & Buildings		
	33 Hamersley Street Toodyay	327,900	327,900
	Less Accumulated Depreciation	(3,252)	-
	66 Stirling Terrace Toodyay	343,312	343,312
	Less Accumulated Depreciation	(12,241)	-
		655,719	**671,212**
	Plant and Equipment		
	Cost	138,838	135,508
	Accumulated depreciation	(109,264)	(102,217)
		29,574	**33,291**
		685,293	**704,503**

Reconciliation of the carrying value for each class of property, plant and equipment are set out below

	2009	2008
Land and Buildings		
Balance at the beginning of the year	671,212	-
Additions	-	671,212
Depreciation Expense	(15,493)	-
Carrying amount at the end of the year	**655,719**	**671,212**
Plant and Equipment		
Balance at the beginning of the year	33,291	3,436
Additions	3,330	32,731
Depreciation expense	(7,047)	(2,876)
Carrying amount at the end of the year	**29,574**	**33,291**

		2009 $	2008 $
10.	**Intangible assets**		
	Franchise fee		
	Cost	100,000	100,000
	Accumulated amortisation	(95,000)	(85,000)
		5,000	**15,000**

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

11.	**Trade and other payables**		
	Trade creditors and accruals	36,291	18,901
	GST payable	14,218	14,823
		50,509	**33,724**
12.	**Financial liabilities**		
	Current		
	Lease Liability	8,025	-
	Mortgage loan	12,983	41,664
		21,008	**41,664**
	Non current		
	Lease Liability	20,113	-
	Mortgage loan	307,006	263,643
		327,119	**263,643**

Security:

The mortgage loans are secured over the Company's assets.

		2009 $	2008 $
13.	**Provisions**		
	Current		
	Provision for employee entitlements	**30,365**	**20,838**
	Number of employees at year end	**8**	**7**
14.	**Equity**		
	342,359 (2008: 342,359) fully paid ordinary shares	**342,359**	**342,359**
15.	**Cash flow information**		
	a. Reconciliation of cash flow from operations with profit after tax		
	Profit after tax	18,158	135,714
	Depreciation and amortisation	32,540	12,876
	Movement in assets and liabilities		
	Receivables	7,367	(14,021)
	Other assets	(1,931)	(12,490)
	Deferred tax asset	(3,721)	(1,226)
	Payables	16,785	(8,972)
	Provisions	9,527	4,084
	Current tax liability	(33,707)	15,475
	Net cash provided by/(used in) operating Activities	**45,018**	**131,440**

b. Credit Standby Arrangement and Loan Facilities

The Company does not operate a bank overdraft facility.

16. Related party transactions

Steven Stanbrook was paid $7290 for consultation services. The amount was paid under commercial terms and conditions.

Steven Stanbrook and Robert Welburn were paid $1320 for repairs and maintenance services. The amount was paid under commercial terms and conditions.

Vicki Wesley was paid $2318 for signwriting and printing services. The amount was paid under commercial terms and conditions.

Gregory Downie was paid $491 for hardware goods and services. The amount was paid under commercial terms and conditions.

No other related parties have entered into a transaction with the Company during the financial years ended 30 June 2008 and 30 June 2009.

		2009 $	2008 $
17.	**Leasing commitments**		
	Non cancellable operating lease commitment contracted for but not capitalised in the financial statements		
	Payable		
	Not longer than 1 year	21,000	21,000
	Longer than 1 year but not longer than 5 years	-	21,000
		21,000	**42,000**
18.	**Dividends**		
	Distributions paid		
	Interim fully franked ordinary dividend of **13** (2008:**12**) cents per share franked at the tax rate of **30%** (2008: **30%**)	**44,507**	**41,083**

19. Financial risk management

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

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

a. **Financial risk management policies**

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

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not have any derivative instruments at 30 June 2009.

b. **Financial risk exposures and management**

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

i. Interest rate risk

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

ii. Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

iii. Liquidity risk

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

iv. Credit risk

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

There are no material amounts of collateral held as security at 30 June 2009.

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

The Board of Directors has seconded the risk assessment of customers to the Franchise partner due to FRSA and Banking Privacy Rules.

The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

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

c. Financial Instrument Composition and Maturity analysis

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

2009

		Variable	Fixed			
	Weighted Average Effective Interest Rate	Floating Interest Rate	Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	Total
Financial Assets						
Cash and cash equivalents	2%	76,522	-	-	-	76,522
Loans and receivables		-	-	-	83,712	83,712
Total Financial Assets		**76,522**	**-**	**-**	**83,712**	**160,234**
Financial Liability						
Bank loan secured	5.4%	319,989	-	-	-	319,989
Trade and other payables		-	-	-	50,509	50,509
Lease liabilities	9.15%	-	8,025	20,113	-	28,138
Total Financial Liabilities		**319,989**	**8,025**	**20,113**	**50,509**	**398,636**

2008

	Weighted Average Effective Interest Rate	Variable Floating Interest Rate	Fixed Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	Total
Financial Assets						
Cash and cash equivalents	3.75%	36,521	-	-	-	36,521
Loans and receivables		-	-	-	91,079	91,079
Total Financial Assets		**36,521**	**-**	**-**	**91,079**	**127,600**
Financial Liability						
Bank loan secured	8.45%	305,307	-	-	-	305,307
Trade and other payables		-	-	-	33,724	33,724
Total Financial Liabilities		**305,307**	**-**	**-**	**33,724**	**339,031**

	2009 $	2008 $
Trade and sundry payables are expected to be paid as followed:		
Less than 6 months	**50,509**	**33,724**

d. Net Fair Values

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

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

Fair values are materially in line with carrying values.

e. Sensitivity Analysis

i. Interest Rate Risk

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

ii. Interest Rate Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

2009

	Carrying Amount $	-2 % Profit $	-2 % Equity $	+ 2% Profit $	+ 2% Equity $
Financial Assets					
Cash and cash equivalents	76,522	(1,530)	(1,530)	1,530	1,530
Financial Liability					
Bank loans secured	319,989	6,400	6,400	(6,400)	(6,400)

2008

	Carrying Amount $	-2 % Profit $	-2 % Equity $	+ 2% Profit $	+ 2% Equity $
Financial Assets					
Cash and cash equivalents	36,521	(730)	(730)	730	730
Financial Liability					
Bank loans secured	305,307	6,106	6,106	(6,106)	(6,106)

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

19. Segment reporting

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

20. Events after the balance sheet date

No matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

21. Contingent liabilities and contingent assets

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

		2009	2008
22.	**Tax**	**$**	**$**
a.	**Liability**		
	Current		
	Income tax	-	27,805
b.	**Assets**		
	Current Income Tax	**5,902**	-
	Deferred tax assets comprise:		
	Provisions	9,973	6,252
	Impairment of property, plant and equipment	-	-
	Other	-	-
		9,973	**6,252**
c.	**Reconciliations**		
	i. Gross Movements		
	The overall movement in the deferred tax account is as follows:		
	Opening balance	6,252	5,026
	Charge/(credit) to income statement	3,721	1,226
	Charge to equity	-	-
	Closing balance	**9,973**	**6,252**
	ii. Deferred Tax Assets		
	The movement in deferred tax assets for each temporary difference during the year is as follows:		
	Provisions		
	Opening balance	6,252	5,026
	Credited to the income statement	3,721	1,226
	Change to equity	-	-
	Closing balance	**9,973**	**6,252**

23. Company details

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

108 Stirling Terrace

Toodyay WA 6566

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standard; and
   b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Company
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable:

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

Director ______________________

Dated this 21st day of September 2009

TO THE MEMBERS OF TOODYAY & DISTRICTS COMMUNITY FINANCIAL SERVICES LTD

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

a. the financial report of Toodyay & Districts Community Financial Services Limited is in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the financial year ended 30 June 2009. 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 Toodyay & Districts Community Financial Services Limited for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Chartered Accountants

David Wall

Partner

Perth, Western Australia

Date: 21 SEPTEMBER, 2009

Additional Information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 30 June 2009.

(a) Distribution of equity securities

The number of shareholders, by size of holding, are:

Share Distribution Schedule	Holders	Shares Held	% L/C
1 - 1,000	158	79,654	23.27
1,001 - 5,000	68	214,003	62.51
5,001 - 10,000	6	38,701	11.30
10,001 - 100,000	1	10,001	2.92
100,001 and over	-	-	-
	233	**342,359**	**100.00**

There are 51 shareholders holding less than a marketable parcel of shares ($500 in value). Their holdings total 8,853 shares.

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 no restricted securities on issue.

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

(b) Twenty-nine largest shareholders

The names of the twenty-nine largest shareholders of quoted shares are:
Listed ordinary shares

		Number of shares	Number of ordinary shares
1.	Mr. Richard John Dymond	10,001	10,001
2.	Mr. Wayne Campbell Clarke and Ms Desrae Clarke	10,000	10,000
3.	Mr. George Ian Murray and Ms Maureen Joan Murray	7,000	7,000
4.	Mr. William Mills	6,000	6,000
5.	Mr. Michael Joseph Knowles and Ms Kerry Lynne Knowles	5,500	5,500
6.	Mr. Gary David Nancarrow	5,200	5,200
7.	Ms Judith Patricia Lawton	5,001	5,001
8.	Mr. Robert Somers	5,000	5,000
9.	Ms Deborah Leanne Dymond	5,000	5,000
10.	Mrs Diane Margaret Roberts	5,000	5,000
11.	Mr. Jeffrey Clive Roberts	5,000	5,000
12.	Mr. Timothy Noel Murray and Ms Leanne Mary Murray	5,000	5,000
13.	Ms Kim Lesley Angus	5,000	5,000
14.	Ms Jacqueline Ann Irvine	5,000	5,000
15.	Mr. Michael Irvine	5,000	5,000
16.	Mr. Russell Chrimes and Ms Toni Anne Chrimes	5,000	5,000
17.	Ms Joan Isobel Meston	5,000	5,000
18.	Richcab Pty Ltd	5,000	5,000
19.	Ms Barbara Ellen Rissman and Mr. Robert Colin Rissman	5,000	5,000
20.	Mr. Neil Hamilton and Ms Maureen Hazel Hamilton	5,000	5,000
21.	Mr. Leonard Ross Horsburgh and Mrs Jean Susan Horsburgh	5,000	5,000
22.	M W Trenorden Pty Ltd	5,000	5,000
23.	Ms Mary Rose Guest	5,000	5,000
24.	Mrs. Frances Chitty	5,000	5,000
25.	Mr. Brian Rayner	5,000	5,000
26.	Mr. Allan Edward Henshaw	5,000	5,000
27.	Mr. Anthony Peter Maughan and Ms Fay Lorraine Maughan	5,000	5,000
28.	Mr. Peter Kim Dawson	5,000	5,000
29.	Mr. Michael Stuart Bromilow and Ms Yvonne Bromilow	5,000	5,000

(c) Voting rights

Each shareholder has one vote.

(d) Corporate governance statement

Corporate Governance deals with issues such as:

- The responsibilities and functions of the company's board, including setting strategic direction and monitoring management performance.
- Board membership.
- Board committees such as Audit and Operations.
- Risk management and the effectiveness of the internal business controls.
- Ethical standards.
- Accountability to all stakeholders.

The Board recognises the importance of good corporate governance as a means of protecting all current and future stakeholders. Our company and has two tiers of continuous improvement to ensure the highest level of corporate governance in the form of the following:

1. The current set of Policies and Procedures are continually being updated to facilitate greater transparency end efficiency of operation.

2. Board members are continually improving their learning of the board member function by attending and participating in internal and external education opportunities. This ensures that their knowledge is current and informed.

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

1. The company has an audit committee. The members of the audit committee for 2008/2009 are Richard Dymond and Steven Stanbrook.
2. Director approval of operating budgets and monitoring of progress against these budgets;
3. Ongoing Director training; and
4. Monthly Director meetings to discuss performance and strategic plans.

(e) Name of Company Secretary:

Vicki Susan Wesley

(f) Address and telephone number of registered office:

The registered office is located at:
Toodyay & Districts Community Bank
108 Stirling Terrace
Toodyay WA 6566
Telephone: (08) 9574 4077

The principal administrative office of the company is located at:
Toodyay & Districts Community Bank
108 Stirling Terrace
Toodyay WA 6566
Telephone: (08) 9574 4077

(g) Address and telephone number of office at which securities register is kept.

Sharedata Pty Ltd
PO Box 298
St Agnes SA 5097

(h) Trading history

The trading history for Toodyay & Districts Community Financial Services Limited is available on the BSX website at www.bsx.com.au

Toodyay & Districts
Community Financial Services Limited
ABN 67 090 105 249 ACN 090 105 249

108 Stirling Terrace, Toodyay 6566
Phone 08 9574 4077