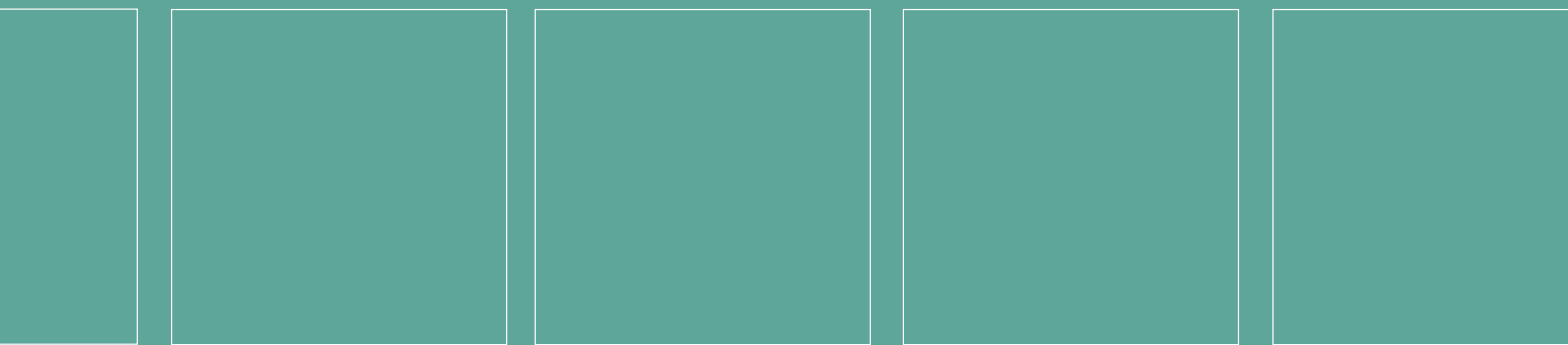


2008
annualreport



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Chairman's report

For year ending 30 June 2008

Welcome to the third annual meeting of Wantirna Community Financial Services Ltd.

Our **Community Bank**[®] branch opened 21 months ago on 18 September 2006. At that time we had \$2 million in business on the books (total deposits and loans).

At 30 June 2008, we have \$30,749,0000 in business on the books. The total book comprises loans of about 40% and deposits of about 60%. That is about the going rate for the division of business for Bendigo Bank branches in the Yarra Valley.

We were very close to being profitable for the first time, actually hitting profitability and making a surplus where our income exceeded our expenses in July 2008. Our profit for that month was \$1,913. All of that is within the prospectus forecast. Our initial capital raising took into account that it would be upwards of three years before the **Community Bank**[®] branch became profitable.

Our **Community Bank**[®] branch has been busy and our Branch Manager, Steve Wright, has proven adept in engaging the local community. As you have all seen in the recent advertising campaign during the Olympic Games, the Bendigo Bank is heavily involved in the local community and keen to attract more people to join the **Community Bank**[®] revolution.

We have been involved in:-

1. Fundraising for Eliza Baird. Eliza suffers from a rare skin condition, where her skin is not "glued" to her underlying muscular structure. We have raised more than \$5,000 for Eliza.
2. We continue to sponsor the Bayswater Park Cricket Club. Our **Community Bank**[®] branch sponsors a 20/20 day competition on the last Saturday of December in each year.
3. Steve has become a regular fixture at the Wantirna South Football Club.
4. Our **Community Bank**[®] branch sponsors a sporting and academic competition for local primary schools in November each year.
5. We have been a participant and sponsor in the Wantirna Rotary Club golf day.

We have found that it is beneficial to our **Community Bank**[®] branch if we concentrate on sporting affiliations and charitable affiliations in our local area.

I promised last year that you would see more of us. We are about to crank that up by becoming involved with the local traders association. Some of you will be aware that the traders sign along Mountain Highway was destroyed by a fire about four years ago. At the present time it is an eyesore. We are currently negotiating with the traders association for our Company to replace the sign. Not only will this improve the appearance of the shopping centre, but we also expect that it will lead to a regular cash flow for the benefit of the traders. This is a tangible benefit stemming from the establishment of our **Community Bank**[®] branch. It also brings with it the hope that more of the traders will support the bank by bringing their business to us.

Chairman's report continued

Our branch staff has remained stable and receive continual training, which has led to an adjustment in staff duties.

Our Board has acquired two new Directors. Frank Kruize lives here in Wantirna and is a qualified architect. Our second Director is John Katselas, he is a local real estate agent. Both of our Directors have brought skills to the Board. Both Directors have undergone training on what is required on being a Director of a **Community Bank**[®] Company. Otherwise our Board has continued to remain stable.

The Board is supported by a wider circle of people who assist when called upon. Our Board meets on the last Tuesday of the month. As a general rule, all members of the Board are able to attend, except if a Board member is absent from Victoria. Our Board culture is one of cooperation and good humour.

Our thanks go to Bendigo Bank Limited and their State Support Office during the year. When we need invitations or posters prepared, they are ready to assist. There is constant communication from Bendigo Bank Limited to all of the Board members and officers of the Company. Bendigo Bank Limited has a community website which contains a wealth of information and is a valuable resource to Board members. Alison Burr is the area manager, responsible for the whole of the Yarra Valley. She keeps a watchful eye on our activities, and she is a frequent visitor to our Board. Our thanks go to Alison and Bendigo Bank Limited for giving us this opportunity to manage our own **Community Bank**[®] branch here in the Wantirna Mall.



Garry Harrison Grace
Chairman

Manager's report

For year ending 30 June 2008

The Wantirna **Community Bank**[®] Branch opened for business on 18 September 2006 and during the last 21 months we have seen the branch grow to a book of \$30.7 million in business.

The hard work that the initial steering committee, Board and the current staff have put in has helped create a full service branch offering outstanding service. The branch is going from strength to strength and with our sponsorship's of Bayswater Park Cricket Club and the Wantirna South Football Club. Our awareness and community engagement in general has increased tremendously since our first nine months of operation.

We need to continue this momentum, with the help of our shareholders. We ask all shareholders to become ambassadors of their **Community Bank**[®] Company and to spread the word and the benefits of banking with the Wantirna **Community Bank**[®] Branch.

Bendigo Bank's **Community Bank**[®] model is unique, in that it is a win-win for everyone in the communities in which these businesses operate. What other banking institution is dedicated to returning a percentage of its profits back to the community?


The success of your branch is dependent on the banking support of the Wantirna and District community and you, our valued shareholders.

I urge you all to get behind your **Community Bank**[®] branch and conduct as much of your banking, insurance and financial business with Wantirna **Community Bank**[®] Branch today.

The sooner we reach the point of profitability, the sooner the Board of Directors can begin the process of distributing profits to shareholders and our community.

I would also like to thank our Board Members for their continued support and dedication to their roles as Directors. I remind you, that your Board of Directors are all volunteers.

Last, but by no means least, I would like to thank my fantastic and enthusiastic staff, Karen Veltri, Debra Frazer, Lee Freeman and Mary-Lee Banfield for the valuable contribution they continue to make in supporting myself, in delivering a high level of service to our customers and engaging themselves in the Wantirna community.



Steve Wright
Branch Manager

Directors' report

For year ending 30 June 2008

Your Directors submit the financial report of the Company for the financial year ended 30 June 2008.

Directors

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

Garry Harrison Grace

Chairman

Age: 54

Lawyer

Holds a Bachelor of Science degree majoring in Chemistry and Mathematics, also holds a Law degree. A number of years experience in city law firms before establishing as a sole practitioner in Wantirna.

Member of the Human Resources sub committee

Interests in shares: 20,002

Judy Ann Blizzard

Secretary

Age: 47

Home Duties

Experience in sales, direct marketing, team management and law, with McEwans, Victoria Police and Homecare Direct Shopping.

Company Secretary

Interests in shares: 501

Thomas Adrian Spiesser

Treasurer

Age: 55

Business Proprietor, former banker

Holds a Bachelor of Business Science (Honours), a Master Business Science and Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. 24 years experience as a banker for 2 global banks in Australia and overseas, currently owns the Wantirna Video Ezy Franchise. Previous Treasurer for 3 years of the Gliding Club of Victoria.

Member of the Finance/Audit sub committee

Interests in shares: 501

Robert Frederick Scott

Director

Age: 71

Retired

Served as an RAAF Aircraft Maintenance Engineer for 23 years serving in Australia and overseas, 9 years with the 34 VIP squadron in Canberra, 20 years with the Defence Quality Assurance - Air Force and 10 years as Chief Quality Assurance Supervisor for Dunlop Aerospace and Dunlop Industrial. Current Treasurer and founding member of the Knox 1 Neighbourhood watch, former Scout leader of 1st Studfield Scout Group, a Freemason, Vice President of Boronia Men's Probus Group, a member of Ringwood RSL, RSL angling club and Knox Club.

Interests in shares: 7,501

Directors' report continued

Julianne Mary Spithall

Director

Age: 53

Administrator

A banking background with experience at both branch and head office level. Current President of 1st Bayswater Scout Group.

Member of the Business Development, Marketing & Sponsorship subcommittee

Interests in shares: 501

Gary Tor

Director

Age: 54

Home Carer

Holds a Bachelor of Economics majoring in Economic Statistics. Vast experience in retailing and marketing and has worked for a major global bank in mortgage lending.

Member of the Business Development, Marketing & Sponsorship subcommittee

Interests in shares: 2,001

Rowland Skipsey Ward

Director

Age: 62

Presbyterian Minister

Former Insurance Broker

Studied for the Ministry in Edinburgh and was ordained in 1976, in 1987 established the Knox Presbyterian Church in Wantirna. Holds a doctorate in history from the Australian College of Theology and has authored a number of books. Previously chaired the Allocations and Investments Committee of the Presbyterian Ladies' College Foundation Ltd, Currently chairs Ramabai Mukti Mission Australia Inc. (supporting women and girls in India) and has convened the Superannuation Committee of his denomination since 1978.

Member of the Finance/Audit sub committee

Interests in shares: 500

(wife holds 500 - total 1,000)

John Katselas

Director (Appointed 29 January 2008)

Age: 49

Licensed Estate Agent

Involved in general Property Sales and Property Management with 22 years experience.

Member of the Human Resources sub committee

Interests in shares: 1,000

Directors' report continued

Franciscus Antonius Kruise

Director (Appointed 29 January 2008)

Age: 56

Architect

Holds a Bachelor of Planning and Design and a Bachelor of Architecture. 30 years of experience in banking, architecture and general management. Currently self-employed as a practising architect providing consulting services to a major multi national corporation.

Interests in shares: 5,000

Alan Roy Burney

Director (Resigned 13 November 2007)

Age: 68

Retired

Over 40 years experience in the fluid power industry (hydraulics and pneumatics) with experience in sales, marketing, system design, projects and regional management. Past President of the Fluid Power Society of Vic. Inc. and Sunmaid Association of Vic. Inc. Current member of Wantirna Heights Combined Probus Club, Wantirna Neighbourhood watch and the Derwent Sailing Squadron (Hobart). Member of the Human Resources sub committee
Interests in shares: 2,001

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 Judy Bizzard. Judy was appointed to the position of Secretary on 23 January 2006. Judy has experience in sales, direct marketing, team management and law, with McEwans, Victoria Police and Homecare Direct Shopping.

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 a franchised branch of Bendigo Bank Limited.

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

Operating results

Operations have continued to perform in line with expectations. The profit/(loss) of the Company for the financial year after provision for income tax was:

Year ended 30 June 2008	Year ended 30 June 2007
\$	\$
(78,255)	(124,628)

Directors' report continued

Remuneration report

No Director receives remuneration for services as a Company Director or Committee Member.

There are no employees who are directly accountable and have responsibility for the strategic direction and operational management of the entity.

There are therefore no specified Executives whose remuneration requires disclosure.

The Branch Manager commenced employment on 1 August 2006. He is employed on a contract which is in line with the standards and remuneration levels applicable to Bendigo Bank staff in similar roles.

Dividends

No dividends were declared or paid for the previous year and the Directors recommend that no dividend be paid for the current year.

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 report.

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 17 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.

Directors' report continued

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company 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:

	Number of Board meetings eligible to attend	Number attended
Garry Harrison Grace	11	11
Thomas Adrian Spiesser	11	11
Judy Ann Blizzard	11	11
Robert Frederick Scott	11	9
Julianne Mary Spithall	11	9
Gary Tor	11	9
Rowland Skipsey Ward	11	9
Franciscus Antonius Kruize (Appointed 29 January 2008)	5	4
John Katselas (Appointed 29 January 2008)	5	4
Alan Roy Burney (Resigned 13 November 2007)	3	3

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.

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 Professional Statement F1, 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.

Directors' report continued

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 11.

Signed in accordance with a resolution of the Board of Directors at Wantirna, Victoria on 10 September 2008.



Garry Harrison Grace
Chairman



Thomas Adrian Spiesser
Treasurer

Auditor's independence declaration



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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Wantirna 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 2008 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 10 day of September 2008

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	3	259,769	120,400
Salaries and employee benefits expense		(216,338)	(171,795)
Advertising and promotion expenses		(4,139)	(2,879)
Occupancy and associated costs		(45,988)	(33,905)
Systems costs		(20,174)	(16,386)
Depreciation and amortisation expense	4	(22,349)	(17,525)
General administration expenses		(63,239)	(57,129)
Loss before income tax credit		(112,458)	(179,218)
Income tax credit	5	34,203	54,590
Loss for the period		(78,255)	(124,628)
Loss attributable to members of the entity		(78,255)	(124,628)
Earnings per share (cents per share)		¢	¢
- basic for profit for the year	18	(8.49)	(13.78)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
Assets			
Current assets			
Cash assets	6	203,801	302,229
Trade and other receivables	7	20,761	15,024
Total current assets		224,562	317,253
Non-current assets			
Property, plant and equipment	8	253,144	267,844
Intangible assets	9	29,410	31,414
Deferred tax assets	10	124,320	90,117
Total non-current assets		406,874	389,375
Total assets		631,436	706,628
Liabilities			
Current liabilities			
Trade and other payables	11	9,028	10,900
Provisions	12	10,140	6,790
Total current liabilities		19,168	17,690
Non-current liabilities			
Provisions	12	1,585	-
Total non-current liabilities		1,585	-
Total liabilities		20,753	17,690
Net assets		610,683	688,938
Equity			
Contributed equity	13	891,225	891,225
Accumulated losses	14	(280,542)	(202,287)
Total equity		610,683	688,938

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from customers		276,963	99,344
Payments to suppliers and employees		(386,999)	(271,218)
Interest received		17,253	23,341
Net cash outflow from operating activities	15	(92,783)	(148,533)
Cash flows from investing activities			
Payments for property plant and equipment		(5,645)	(283,783)
Net cash outflow from investing activities		(5,645)	(283,783)
Cash flows from financing activities			
Proceeds from issue of shares		-	62,210
Payment of share issue costs		-	(4,098)
Payment of council loan		-	(12,973)
Net cash inflow from financing activities		-	45,139
Net decrease in cash held		(98,428)	(387,177)
Cash at the beginning of the financial year		302,229	689,406
Cash at the end of the financial year	6(a)	203,801	302,229

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Note	2008 \$	2007 \$
Total equity at the beginning of the period		688,938	755,454
Net loss for the period		(78,255)	(124,628)
Net income/expense recognised directly in equity		-	-
Dividends provided for or paid		-	-
Shares issued during period		-	62,210
Costs of issuing shares		-	(4,098)
Total equity at the end of the period		610,683	688,938

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Summary of significant accounting policies

Basis of preparation

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

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

Historical cost convention

The financial report has been prepared under the historical cost conventions 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.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). 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.

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 for 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 ATO are classified as operation cash flows.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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 tax 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 comprehensive 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.

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/consolidated 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 income statement, 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

Intangibles

The cost of the Company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

Cash

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.

Comparative figures

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

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.

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Estimated impairment of goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(above). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

Impairment of assets

At each reporting date, the consolidated entity 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. Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

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

Note 1. Summary of significant accounting policies (continued)

Payment terms

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

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.

Borrowings

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

Provisions

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

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

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.

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.

Notes to the financial statements continued

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 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 Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo 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 Bank Limited mitigates this risk significantly.

Notes to the financial statements continued

	2008 \$	2007 \$
Note 3. Revenue from ordinary activities		
Operating activities:		
- services commissions	245,940	89,818
Total revenue from operating activities	245,940	89,818
Non-operating activities:		
- interest received	13,829	30,582
Total revenue from non-operating activities	13,829	30,582
Total revenues from ordinary activities	259,769	120,400

Note 4. Expenses

Depreciation of non-current assets:		
- plant and equipment	11,156	8,834
- leasehold improvements	9,189	7,105
Amortisation of non-current assets:		
- franchise agreement	2,004	1,586
	22,349	17,525
Bad debts	532	11

Note 5. Income tax expense

The components of tax expense comprise:

- Current tax	-	-
- Deferred tax on provisions	2,917	-
- Recoupment of prior year tax losses	-	-
- Future income tax benefit attributable to losses	31,286	54,590
	34,203	54,590

Notes to the financial statements continued

	Note	2008 \$	2007 \$
Note 5. Income tax expense (continued)			
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Operating profit/(loss)		(112,458)	(179,218)
Prima facie tax on profit/(loss) from ordinary activities at 30%		(33,737)	(53,765)
Add tax effect of:			
- non-deductible expenses		601	476
- timing difference		3,667	517
- blackhole expenses		(1,817)	(1,817)
Current tax		(31,286)	(54,590)
Movement in deferred tax	10.	(2,917)	-
		(34,203)	(54,590)

Note 6. Cash assets

Cash at bank and on hand	10,842	22,129
Monies held in trust	-	100
Term deposits	192,959	280,000
	203,801	302,229

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

6(a) Reconciliation of cash

Cash at bank and on hand	10,842	22,129
Monies held in trust	-	100
Term deposits	192,959	280,000
	203,801	302,229

Notes to the financial statements continued

	2008 \$	2007 \$
Note 7. Trade and other receivables		
Trade receivables	16,003	3,568
Prepayments	941	4,215
Accrued income	3,817	7,241
	20,761	15,024

Note 8. Property, plant and equipment

Plant and equipment

At cost	85,398	85,398
Less accumulated depreciation	(19,990)	(8,834)
	65,408	76,564

Leasehold improvements

At cost	204,030	198,385
Less accumulated depreciation	(16,294)	(7,105)
	187,736	191,280

Total written down amount	253,144	267,844
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Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	76,564	-
Additions	-	85,398
Less: depreciation expense	(11,156)	(8,834)
Carrying amount at end	65,408	76,564

Leasehold improvements

Carrying amount at beginning	191,280	-
Additions	5,645	198,385
Less: depreciation expense	(9,189)	(7,105)
Carrying amount at end	187,736	191,280

Total written down amount	253,144	267,844
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Notes to the financial statements continued

	2008 \$	2007 \$
Note 9. Intangible assets		
Franchise fee		
At cost	10,000	10,000
Less: accumulated amortisation	(3,590)	(1,586)
Goodwill	23,000	23,000
	29,410	31,414

Note 10. Deferred tax

Deferred tax asset		
Opening balance	90,117	-
Future income tax benefits attributable to losses	31,286	90,117
Recoupment of prior year tax losses	-	-
Deferred tax on provisions	2,917	-
Closing balance	124,320	90,117

Note 11. Trade and other payables

Trade creditors	6,028	7,900
Other creditors & accruals	3,000	3,000
	9,028	10,900

Note 12. Provisions

Current:		
Employee benefits	10,140	6,790
Non-current:		
Employee benefits	1,585	-
Number of employees at year end	4	3

Notes to the financial statements continued

	2008 \$	2007 \$
Note 13. Contributed equity		
921,509 Ordinary shares fully paid of \$1 each (2007: 921,509)	921,509	921,509
Less: equity raising expenses	(30,284)	(30,284)
	891,225	891,225

Note 14. Accumulated losses

Balance at the beginning of the financial year	(202,287)	(77,659)
Net loss from ordinary activities after income tax	(78,255)	(124,628)
Balance at the end of the financial year	(280,542)	(202,287)

Note 15. Statement of cash flows

Reconciliation of loss from ordinary activities after tax to net cash used in operating activities

Loss from ordinary activities after income tax	(78,255)	(124,628)
Non cash items:		
- depreciation	20,345	15,939
- amortisation	2,004	1,586
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(5,737)	(1,930)
- (increase)/decrease in other assets	(34,203)	(54,590)
- increase/(decrease) in payables	(1,872)	8,300
-increase/(decrease) in provisions	4,935	6,790
Net cash flows used in operating activities	(92,783)	(148,533)

Note 16. Auditors' remuneration

Amounts received or due and receivable by the Auditor of the Company for:

- audit & review services	4,000	4,000
- non audit services	1,832	1,400
	5,832	5,400

Notes to the financial statements continued

Note 17. Director and related party disclosures

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

Garry Harrison Grace
Thomas Adrian Spiesser
Judy Ann Blizzard
Robert Frederick Scott
Julianne Mary Spithall
Gary Tor
Rowland Skipsey Ward
Franciscus Antonius Kruize (Appointed 29 January 2008)
John Katselas (Appointed 29 January 2008)
Alan Roy Burney (Resigned 13 November 2007)

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

Directors shareholdings	2008	2007
Garry Harrison Grace	20,002	20,002
Thomas Adrian Spiesser	501	501
Judy Ann Blizzard	501	501
Robert Frederick Scott	7,501	7,501
Julianne Mary Spithall	501	501
Gary Tor	2,001	2,001
Rowland Skipsey Ward	1,000	1,000
Franciscus Antonius Kruize (Appointed 29 January 2008)	5,000	5,000
John Katselas (Appointed 29 January 2008)	1,000	1,000
Alan Roy Burney (Resigned 13 November 2007)	2,001	2,001

There was no movement in Directors shareholdings during the year. Each share held is valued at \$1.

Notes to the financial statements continued

	2008 \$	2007 \$
Note 18. Earnings per share		
(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	(78,255)	(124,628)

	2008 Number	2007 Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	921,509	904,711

Note 19. 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 20. Contingent liabilities

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

Note 21. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank**[®] services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being the Melbourne suburb of Wantirna, Victoria.

22. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
Suite 30, 348 Mountain Highway, Wantirna VIC 3152	Shop 5 - 6 Wantirna Mall, 348 Mountain Highway, Wantirna VIC 3152

Notes to the financial statements continued

Note 23. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The Company does not have any unrecognised financial instruments at 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 Statement of Financial Position 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						
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
Financial assets													
Cash assets	10,537	22,124	-	-	-	-	-	-	-	305	5	0.05	0.05
Trust account	-	100	-	-	-	-	-	-	-	-	-	Nil	Nil
Term deposit	-	-	192,959	280,000	-	-	-	-	-	-	-	7.7	5.8
Receivables	-	-	-	-	-	-	-	-	-	20,761	15,024	N/A	N/A
Financial liabilities													
Payables	-	-	-	-	-	-	-	-	-	9,028	10,900	N/A	N/A

Director's declaration

In accordance with a resolution of the Directors of Wantirna 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 2008 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 AASB174 Related Party Disclosures and the Corporations Regulations 2001.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A of the Corporations Act.

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



Garry Harrison Grace
Chairman



Thomas Adrian Spiesser
Treasurer

Signed on 10 September 2008.

Independent audit report



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Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Wantirna Community Financial Services Limited

We have audited the accompanying financial report of Wantirna Community Financial Services Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the director's declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 Related Party Disclosures ("Remuneration disclosures"), under the heading "Remuneration Report" in the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors Responsibility for the Financial Report

The Directors 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 designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the director's report.

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 and that the remuneration disclosures comply with Accounting Standards AASB 124 Related Party Disclosures.

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 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent audit report continued

Independence

In conducting our audit we have met 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 director's 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

In our opinion:

- 1) The financial report is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Wantirna Community Financial Services Limited as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2) The financial report also complies with International financial reporting standards as disclosed in Note 1.
- 3) The remuneration disclosures that are contained in the director's report comply with Accounting Standards AASB 124 Related Party Disclosures.



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

Dated this *10* day of September 2008

BSX report

Share Information

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

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

Number of Shares Held	Number of Shareholders
1 to 1,000	189
1,001 to 5,000	101
5,001 to 10,000	24
10,001 to 100,000	6
100,001 and over	0
Total Shareholders	320

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

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

There are 4 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

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

The following table shows the 10 largest shareholders.

Shareholder	Number of Shares	Percentage of Capital
Adrian Clarke Barclay	75,000	8.15%
Neil G Jebb	50,000	5.43%
Margaret Anne Morgan	50,000	5.43%
Trover Investments Pty Ltd	35,000	3.80%
Dundas River Pty Ltd	20,000	2.17%
Brian M & Susan Williams	20,000	2.17%
A&C Spina Corporation Pty Ltd	10,000	1.08%
Adonica Pty Ltd	10,000	1.08%
David Wilkinson Group Pty Ltd	10,000	1.08%
Dr Roger Churchward	10,000	1.08%
	290,000	31.52%

BSX report continued

Registered Office and Principal Administrative Office

The registered office of the company is located at:

Suite 30 348 Mountain Highway,

Wantirna VIC 3152

Phone: (03) 9720 2922

The principal administrative office of the company is located at:

Shops 5-6 Wantirna Mall, 348 Mountain Highway,

Wantirna, Victoria 3152

Phone: (03) 9720 4122

Security Register

The security register (share register) is kept at:

Computershare 452 Johnston Street,

Abbotsford VIC 3067

Phone: + 61 3 9415 5000

Other Information

Please refer to the Directors report, within the annual report, for details of the Company Secretary and main corporate governance practices of the entity.

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.

Branch address: Wantirna **Community Bank**[®] Branch
Shops 5-6 Wantirna Mall, 348 Mountain Highway, Wantirna VIC 3152
Phone: (03) 9720 4122 Fax: (03) 9720 7866

Registered office: Wantirna Community Financial Services Limited
Suite 30, Wantirna Mall, Wantirna VIC 3152
ABN 43 118 000 230

www.bendigobank.com.au

Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR8044) (08/08)

