

annual report 2010

Wantirna Community Financial
Services Limited
ABN 43 118 000 230

Wantirna **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2010

Welcome to the fifth annual general meeting of Wantirna Community Financial Services Limited.

At the end of the previous financial year, our book size was \$46 million. That comprised the total of all of our deposits and loans. That is the shorthand way by which banks assess the value of a bank branch.

At the 30 June 2010, our book size was \$52 million. Although that is an increase of 13% in our book size, when compared with the book size growth since our opening five years ago, it is modest.

The pleasing aspect of the performance of the bank branch is the increase in yearly revenue. The previous year's revenue was \$330,000. This year's revenue is \$449,000. That all meant that our overall loss from our previous year was \$68,000, but that has translated into a profit of \$26,000 for the current year. Since the end of the current financial year, the monthly profit of the Company has continued to improve. At the moment the Board has tentative plans to pay a dividend in March 2011.

Gathering information and paying a dividend is an expensive logistical process. We want to make the dividend worthwhile when compared with the expense of the dividend paying process. Material has been given to you on making a direct electronic credit of dividends. If you have not yet communicated your bank account information, email address and Tax File Number to the secretary, then you should do so as soon as possible. We need to build a database on bank account information which will remain confidential, and also email addresses so that we may more efficiently distribute material to shareholders.

Our bank branch continues to support an ever expanding and wide range of local community activities.

We have been involved in sponsorship of:

1. Bayswater Bowling Club;
2. U3A Knox Annual Art and Craft Show;
3. Bayswater Park Cricket Club;
4. Wantirna South Cricket Club
5. Wantirna South Football Club - our Manager Steve Wright is a member of their finance committee and we continue to develop strong links with the Club;
6. Knox City Cricket Club;
7. Wantirna Little Athletics Club;
8. Boronia Football Club;
9. The Scout Association of Australia;
10. Sports and Academic Challenge - the bank branch was instrumental in creating this challenge through the strong efforts of our Manager Steve.
11. Chronic Fatigue Syndrome - we have adopted this charity. We conducted a car boot sale here in the Wantirna Mall, and proceeds were donated to the Chronic Fatigue Syndrome Charity.

Chairman's report continued

12. We continued to help Eliza Baird. She is a young girl who suffers from a rare skin disease where her skin is not "glued" to her underlying muscular structure. The bank branch has raised and made available \$25,000 to her family over two years.

During the year, there has been one change in staff. We have appointed Ross De Joodt as Customer Relationship Manager. Ross is effectively second in command to Steve. His duties involve acceptance and assessment of loan applications, following up renewal of term deposits and other marketing activities of the branch.

There have been two changes to our Board. Laurie Hargrave and Innes Russell were appointed to the Board at our last Annual General Meeting. The Board has appointed a committee to create a business plan for the Company. That may involve the opening of a new branch in Wantirna.

We accepted with regret the resignation of our Treasurer Tom Spiesser. Tom has been an invaluable member of the Board and he was one of the originals on the steering committee. Tom obtained an executive appointment with a bank, and that brought about a conflict of interest. Nevertheless Tom remains close to the Board, and is available on a consultancy basis.

At our Board meeting on 28 September 2010, Sharon O'Malley was appointed as Treasurer. Sharon is also one of the original members of the steering committee. Sharon is an accountant, and her office is around the corner in Stud Road.

The Board meets on the last Tuesday of the month. Generally all members of the Board are able to attend, except if a Board member is absent from Victoria. Our Board has a spirit of cooperation and good humour.

Our thanks go to Bendigo and Adelaide Bank Ltd and their State Support Office in Boronia for their continuing assistance during the year.

There is regular communication with Bendigo and Adelaide Bank Ltd and all Board members and offices of the Company. We are regularly invited to attend seminars and instructional training.

Bendigo and Adelaide Bank Ltd officers are regular visitors to our Board meetings.

Our thanks go to Bendigo and Adelaide Bank Ltd being our franchise partner on assisting us with the management of our **Community Bank**[®] branch.



Garry H. Grace

Chairman

Manager's report

For year ending 30 June 2010

The Wantirna **Community Bank**[®] Branch opened for business on 18 September 2006 and during the last 43 months we have seen the branch grow to a book of \$53 million in business.

The hard work that the initial steering committee, Board and the 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 continued sponsorships of several of the community's "not for profit" sporting organisations, our participation in community engagements generally and our last 2 year's fundraising efforts and initiatives for the Eliza Baird Foundation, whereby \$25,000 was raised, we have very assuredly confirmed our presence in the Wantirna community.

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 and Adelaide Bank Ltd'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 branch and conduct as much of your banking, insurance and financial business with Wantirna **Community Bank**[®] Branch today.

Now that the branch is profitable, the Board of Directors can begin the process of distributing profits to shareholders and our wider 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, Mary-Lee Banfield and our newest employee Ross De Joodt 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 the financial year ended 30 June 2010

Your directors submit the financial statements of the company for the financial year ended 30 June 2010.

Directors

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

Garry Harrison Grace

Chairman

Age: 57

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: 49

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: 57

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: 73

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

Directors (continued)

Rowland Skipsey Ward

Director

Age: 64

Presbyterian Minister

Former insurance broker who 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, current chair of Ramabai Mukti Mission Australia Inc. and has convened the Superannuation Committee of his denomination since 1978.

Member of the Finance/Audit sub committee

Interests in shares: 1,000

John Katselas

Director

Age: 51

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

Franciscus Antonius Kruise

Director

Age: 58

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 practicing architect providing consulting services to a major multinational corporation.

Interests in shares: 5,000

Gary Tor

Director

Age: 56

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 sub committee

Interests in shares: 2,001

Charles Innes Russell

Director (Appointed 27 April 2010)

Age: 63

Semi Retired (Vic Roads)

Certificate in Accountancy, Professional Member of the National Institute of Accountants. 25 years as a leader in the Scout movement with six years as the District Commissioner.

Member of the Business Development, Marketing & Sponsorship and Business Planning subcommittees.

Interests in shares: 2001

Laurence James Hargrave

Director (Appointed 27 April 2010)

Age: 63

Domestic Builder and Consultant

Completed carpentry training. Set up and ran own building company for 28 years. 38 years experience in quantity surveying and cost estimating. Eight years as primary school treasurer and four years as church treasurer.

Interests in shares: 10,000

Directors' report continued

Directors (continued)

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 and Adelaide Bank Limited.

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

Operating Results

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

	Year ended 30 June 2010	Year ended 30 June 2009
	\$	\$
	19,544	(46,763)

Remuneration Report

During the 2009 year the Board resolved that remuneration was to be paid to Thomas Adrian Spiesser for services performed in his role as Treasurer. Thomas was paid a total of \$7,200 (2009: \$7,200) during the financial year for these services.

No other 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 by Bendigo and Adelaide Bank, with his services seconded to Wantirna Community Financial Services Limited. He is employed on a contract which is in line with the standard remuneration levels applicable to Bendigo and Adelaide Bank Limited 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.

Directors' report continued

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Matters Subsequent to the End of the Financial Year

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

Likely Developments

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

Environmental Regulation

The company is not subject to any significant environmental regulation.

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 19 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Indemnification and Insurance of Directors and Officers

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

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

Directors' report continued

Directors Meetings

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

	Board Meetings Attended	
	Eligible	Attended
Garry Harrison Grace	11	10
Thomas Adrian Spiesser	11	11
Judy Ann Blizzard	11	11
Robert Frederick Scott	11	10
Rowland Skipsey Ward	11	8
Gary Tor	11	9
John Katselas	11	7
Franciscus Antonius Kruize	11	7
Charles Innes Russell	3	2
Laurence James Hargrave	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 APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Directors' report continued

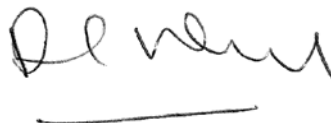
Auditors' Independence Declaration

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 24 September 2010.



Garry Harrison Grace,
Chairman



Rowland Skipsey Ward,
Director

Auditor's independence declaration



PO Box 454
Bendigo VIC 3552
61-65 Bull Street
Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 795 337

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 2010 there have been:

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

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

Dated this 24th day of September 2010

Financial statements

Statement of Comprehensive Income for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenues from ordinary activities	4	449,715	330,740
Employee benefits expense		(254,138)	(225,255)
Charitable donations, sponsorship, advertising and promotion		(15,844)	(13,328)
Occupancy and associated costs		(48,382)	(49,726)
Systems costs		(18,431)	(19,322)
Depreciation and amortisation expense	5	(16,664)	(20,739)
General administration expenses		(70,075)	(70,911)
Profit/(loss) before income tax (expense)/credit		26,181	(68,541)
Income tax (expense)/credit	6	(6,637)	21,778
Profit/(loss) after income tax (expense)/credit		19,544	(46,763)
Total comprehensive income for the year		19,544	(46,763)
Earnings per share (cents per share)			
		c	c
- basic for profit for the year	20	2.12	(5.07)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet as at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	201,912	149,236
Trade and other receivables	8	39,827	29,337
Total Current Assets		241,739	178,573
Non-Current Assets			
Property, plant and equipment	9	219,749	234,409
Intangible assets	10	25,402	27,406
Deferred tax assets	11	139,461	146,098
Total Non-Current Assets		384,612	407,913
Total Assets		626,351	586,486
LIABILITIES			
Current Liabilities			
Trade and other payables	12	24,131	8,400
Provisions	13	13,225	10,869
Total Current Liabilities		37,356	19,269
Non-Current Liabilities			
Provisions	13	5,531	3,297
Total Non-Current Liabilities		5,531	3,297
Total Liabilities		42,887	22,566
Net Assets		583,464	563,920
Equity			
Issued capital	14	891,225	891,225
Accumulated losses	15	(307,761)	(327,305)
Total Equity		583,464	563,920

The accompanying notes form part of these financial statements.

Financial statements continued

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

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2008	891,225	(280,542)	610,683
Total comprehensive income for the year	-	(46,763)	(46,763)
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 30 June 2009	891,225	(327,305)	563,920
Balance at 1 July 2009	891,225	(327,305)	563,920
Total comprehensive income for the year	-	19,544	19,544
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 30 June 2010	891,225	(307,761)	583,464

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of Cashflows for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash Flows From Operating Activities			
Receipts from customers		478,236	367,820
Payments to suppliers and employees		(431,434)	(434,584)
Interest received		5,874	12,199
Net cash provided by/(used in) operating activities	16	52,676	(54,565)
Net increase/(decrease) in cash held		52,676	(54,565)
Cash and cash equivalents at the beginning of the financial year		149,236	203,801
Cash and cash equivalents at the end of the financial year	7(a)	201,912	149,236

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies

a) Basis of Preparation

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

Compliance with IFRS

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

Critical accounting estimates

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

Financial statement presentation

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

Historical cost convention

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

Comparative figures

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

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

Economic dependency - Bendigo and Adelaide Bank Limited

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

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

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

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

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

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

b) Revenue

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

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

c) Income Tax

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

d) Employee Entitlements

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

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

e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

f) Trade Receivables and Payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

g) Property, Plant and Equipment

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

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

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

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

h) Intangibles

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

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

i) Payment Terms

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

j) Borrowings

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

k) Financial Instruments

Recognition and initial measurement

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

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

Derecognition

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

Classification and subsequent measurement

(i) Loans and receivables

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

(ii) Held-to-maturity investments

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

(iii) Financial liabilities

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

Impairment

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

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

l) Leases

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

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

m) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions 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.

n) Contributed Equity

Ordinary shares are recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

o) Earnings Per Share

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

p) Goods and Services Tax

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

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

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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 and Adelaide Bank Limited.

(iv) Liquidity risk

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

(v) Cash flow and fair value interest rate risk

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

(vi) Capital management

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

Notes to the financial statements continued

Note 2. Financial Risk Management (continued)

(vi) Capital management (continued)

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

- (i) the distribution limit is the greater of:
 - (a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
 - (b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period; and
- (ii) the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

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

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

Note 3. Critical Accounting Estimates and Judgements

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

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

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

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

Taxation

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

Notes to the financial statements continued

Note 3. Critical Accounting Estimates and Judgements (continued)

Taxation (continued)

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

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

Estimation of useful lives of assets

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

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired branch/agency at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The calculations require the use of assumptions.

Impairment of assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the financial statements continued

Note 3. Critical Accounting Estimates and Judgements (continued)

Impairment of assets (continued)

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.

	2010	2009
	\$	\$

Note 4. Revenue from Ordinary Activities

Operating activities:

- services commissions	442,946	321,154
Total revenue from operating activities	442,946	321,154

Non-operating activities:

- interest received	6,769	9,586
Total revenue from non-operating activities	6,769	9,586
Total revenues from ordinary activities	449,715	330,740

Note 5. Expenses

Depreciation of non-current assets:

- plant and equipment	5,404	9,479
- leasehold improvements	9,256	9,256

Amortisation of non-current assets:

- franchise agreement	2,004	2,004
	16,664	20,739

Bad debts	100	699
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Notes to the financial statements continued

	Note	2010 \$	2009 \$
Note 6. Income Tax Expense			
The components of tax expense comprise:			
- Future income tax benefit attributed to losses		-	(20,939)
- Movement in deferred tax		(1,241)	(839)
- Recoup of prior year tax loss		7,878	-
		6,637	(21,778)

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)		26,181	(68,541)
Prima facie tax on profit from ordinary activities at 30%		7,854	(20,562)
Add tax effect of:			
- non-deductible expenses		600	601
- timing difference expenses		1,241	839
- other deductible expenses		(1,817)	(1,817)
		7,878	(20,939)
Movement in deferred tax	11	6,637	(21,778)
Future income tax benefit attributable to losses		-	20,939
Recoupment of prior year losses		(7,878)	-
		6,637	(21,778)

Note 7. Cash and Cash Equivalents

Cash at bank and on hand		35,127	14,236
Term deposits		166,785	135,000
		201,912	149,236

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

Notes to the financial statements continued

	2010 \$	2009 \$
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Note 7. Cash and Cash Equivalents (continued)

Note 7.(a) Reconciliation of cash

Cash at bank and on hand	35,127	14,236
Term deposits	166,785	135,000
	201,912	149,236

Note 8. Trade and Other Receivables

Trade receivables	31,289	22,287
Other receivables & accruals	2,100	1,204
Prepayments	6,438	5,846
	39,827	29,337

Note 9. Property, Plant and Equipment

Plant and equipment

At cost	85,398	85,398
Less accumulated depreciation	(34,873)	(29,469)
	50,525	55,929

Leasehold improvements

At cost	204,030	204,030
Less accumulated depreciation	(34,806)	(25,550)
	169,224	178,480

Total written down amount

219,749 **234,409**

Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	55,930	65,408
Additions	-	-
Disposals	-	-
Less: depreciation expense	(5,404)	(9,478)
Carrying amount at end	50,526	55,930

Notes to the financial statements continued

	2010 \$	2009 \$
Note 9. Property, Plant and Equipment (continued)		
Leasehold improvements		
Carrying amount at beginning	178,479	187,736
Additions	-	-
Disposals	-	-
Less: depreciation expense	(9,256)	(9,257)
Carrying amount at end	169,223	178,479
Total written down amount	219,749	234,409

Note 10. Intangible Assets

Franchise fee		
At cost	10,000	10,000
Less: accumulated amortisation	(7,598)	(5,594)
Goodwill	23,000	23,000
Total written down amount	25,402	27,406

Note 11. Tax

Current:

Income tax payable/(refundable)	-	-
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Non-Current:

Deferred tax assets

- employee provisions	5,627	4,250
- tax losses carried forward	134,464	142,342
	140,091	146,592

Notes to the financial statements continued

	2010 \$	2009 \$
Note 11. Tax (continued)		
Deferred tax liability		
- accruals	630	494
- deductible prepayments	-	-
	630	494
Net deferred tax asset	139,461	146,098
Movement in deferred tax charged to statement of comprehensive income	(6,637)	21,778

Note 12. Trade and Other Payables

Trade creditors	7,721	5,100
Other creditors & accruals	16,410	3,300
	24,131	8,400

Note 13. Provisions

Current:		
Provision for annual leave	13,225	10,869
Non-Current:		
Provision for long service leave	5,531	3,297
Number of employees at year end	4	4

Note 14. Contributed Equity

921,509 Ordinary shares fully paid (2009: 921,509)	921,509	921,509
Less: equity raising expenses	(30,284)	(30,284)
	891,225	891,225

Notes to the financial statements continued

Note 14. Contributed Equity (ontinued)

Rights attached to shares

(a) Voting rights

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

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

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

(b) Dividends

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

(c) Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 294. As at the date of this report, the company had 315 shareholders.

Notes to the financial statements continued

Note 14. Contributed Equity (ontinued)

Prohibited shareholding interest (continued)

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

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

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

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

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

	2010	2009
	\$	\$
Note 15. Accumulated Losses		
Balance at the beginning of the financial year	(327,305)	(280,542)
Net profit/(loss) from ordinary activities after income tax	19,544	(46,763)
Balance at the end of the financial year	(307,761)	(327,305)

Notes to the financial statements continued

	2010 \$	2009 \$
Note 16. Statement of Cashflows		
Reconciliation of profit/(loss) from ordinary activities after tax to net cash provided by/(used in) operating activities		
Profit/(loss) from ordinary activities after income tax	19,544	(46,763)
Non cash items:		
- depreciation	14,660	18,735
- amortisation	2,004	2,004
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(10,490)	(8,576)
- (increase)/decrease in other assets	6,637	(21,778)
- increase/(decrease) in payables	15,731	(628)
-increase/(decrease) in provisions	4,590	2,441
Net cashflows provided by/(used in) operating activities	52,676	(54,565)

Note 17. Leases

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

- not later than 12 months	33,261	33,074
- between 12 months and 5 years	8,315	41,576
- greater than 5 years	-	-
	41,576	74,650

The rental lease agreement on the branch premises is a non-cancellable lease with a five year term, with rent payable monthly in advance. The current lease expires on 18 September 2011, with options for three further terms of five years each available to be exercised.

Notes to the financial statements continued

	2010 \$	2009 \$
Note 18. Auditors' Remuneration		
Amounts received or due and receivable by the auditor of the company for:		
- audit & review services	4,500	4,200
- share registry services	4,100	-
- non audit services	1,910	2,030
	10,510	6,230

Note 19. 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
 Rowland Skipsey Ward
 Gary Tor
 John Katselas
 Franciscus Antonius Kruize
 Charles Innes Russell (Appointed 27 April 2010)
 Laurence James Hargrave (Appointed 27 April 2010)

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

Directors Shareholdings	2010	2009
Garry Harrison Grace	20,002	20,002
Thomas Adrian Spiesser	501	501
Judy Ann Blizzard	501	501
Robert Frederick Scott	7,501	7,501
Rowland Skipsey Ward	1,000	1,000
Gary Tor	2,001	2,001
John Katselas	1,000	1,000
Franciscus Antonius Kruize	5,000	5,000
Charles Innes Russell (Appointed 27 April 2010)	2,001	-
Laurence James Hargrave (Appointed 27 April 2010)	10,000	-

There was no movement in directors shareholdings during the year.

Notes to the financial statements continued

	2010 \$	2009 \$
Note 20. Earnings Per Share		
(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	19,544	(46,763)

	2010 Number	2009 Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	921,509	921,509

Note 21. 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 22. Contingent Liabilities

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

Note 23. Segment Reporting

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

Note 24. Registered Office/Principal Place of Business

The registered office and principal place of business is:

Registered Office	Principal Place of Business
Shop 5 - 6 Wantirna Mall	Shop 5 - 6 Wantirna Mall
348 Mountain Highway	348 Mountain Highway
Wantirna VIC 3152	Wantirna VIC 3152

Note 25. Financial Instruments

Net Fair Values

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

Notes to the financial statements continued

Note 25. Financial Instruments (continued)

Credit Risk

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

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

Interest Rate Risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Assets												
Cash and cash equivalents	201,912	148,931	-	-	-	-	-	-	-	305	3.81	5.47
Receivables	-	-	-	-	-	-	-	-	39,827	29,337	N/A	N/A
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	24,131	8,400	N/A	N/A

Directors' 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 2010 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

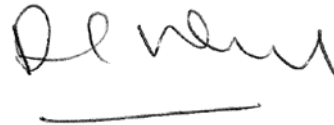
(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(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.

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



Garry Harrison Grace,
Chairman



Rowland Skipsey Ward,
Director

Signed on the 24th of September 2010.

Independent audit report



PO Box 454
Bendigo VIC 3552
61-65 Bull Street
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 2010, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation

Independent audit report continued

Independence

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

Auditor's Opinion on the Financial Report

In our opinion:

- 1) The financial report of Wantirna Community Financial Services Limited is in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 30 June 2010 and of its financial performance and its cash flows for the year then ended and complying 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 issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2010. 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 Wantirna Community Financial Services Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.



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

Dated this 24th day of September 2010

BSX report

Share Information

In accordance with Bendigo Stock Exchange listing rules the company provides the following information as at 30 September 2010, 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	185
1,001 to 5,000	99
5,001 to 10,000	25
10,001 to 100,000	6
100,001 and over	0
Total Shareholders	315

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%
Obeah Holdings Pty	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%
David Andrew Mc Mullen	10,000	1.08%
Ruth Elizabeth Wallace	10,000	1.08%
Dr Roger Churchward	10,000	1.08%
	290,000	31.47%

BSX report continued

Registered Office and Principal Administrative Office

The registered office of the company is located at:

Shops 5-6 Wantirna Mall 348 Mountain Highway

Wantirna, Victoria 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:

AFS & Associates

61-65 Bull Street

Bendigo VIC 3550

Phone 03 5443 0344

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.

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

Franchisee: Wantirna Community Financial Services Limited
Shops 5-6 Wantirna Mall, 348 Mountatin Highway,
Wantirna VIC 3152
Phone: (03) 9720 4122
ABN: 43 118 000 230

www.bendigobank.com.au/wantirna
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879.
(BMPAR10087) (10/10)