

**Balmain / Rozelle**  
**Financial Services Limited**  
**Financial Statements**  
**as at**  
**31 December 2009**

**Balmain / Rozelle Financial Services Limited**  
**ABN 95 112 711 654**  
**Directors' Report**

Your directors submit the financial report of the company for the half-year ended 31 December 2009.

**Directors**

The names of directors who held office during the half year and until the date of this report are as below:

Richard James Ware

Michael Raymond Newton

Cynthia Marica Nadai

Ernest Paul Doughty

Ian Richard Crichton-Browne

John Anthony Civitarese

Michelle Anne Ronan

Peter Cho Yim Wu

Pauline Keitha McAlinden (*Appointed 25 November 2009*)

John Christopher Newsom (*Appointed 25 November 2009*)

Susan Margaret Tayler (*Resigned 25 November 2009*)

**Principal Activities**

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

**Review and Results of Operations**

Operations have continued to perform in line with expectations. The net profit/(loss) of the company for the financial period was: \$30,218 [2008:( \$20,826)].

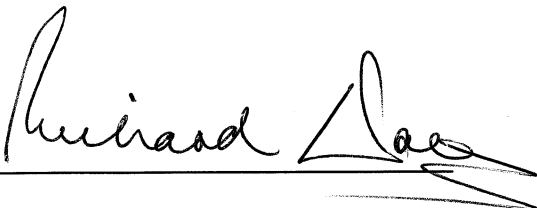
**Matters Subsequent to the End of the Reporting Period**

There are no matters or circumstances that have arisen since the end of the half year reporting period 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.

**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 2.

Signed in accordance with a resolution of the directors at Rozelle, NSW on 24 February 2010.

A handwritten signature in black ink, appearing to read 'Richard James Ware', is written over a horizontal line.

**Richard James Ware, Chairman**

**Balmain / Rozelle Financial Services Limited**  
**ABN 95 112 711 654**  
**Income Statement**  
**for the half-year ended 31 December 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	294,385	215,375
Salaries and employee benefit expense	(133,646)	(129,254)
Occupancy and associated costs	(39,615)	(37,300)
Charitable donations, sponsorship, advertising & promotion	(12,567)	(2,703)
Systems costs	(8,492)	(9,098)
Finance costs	(4,477)	(3,871)
Depreciation and amortisation expense	(11,646)	(11,412)
General administration expenses	(42,542)	(42,563)
	<hr/>	<hr/>
<b>Profit/(loss) before income tax expense/credit</b>	41,400	(20,826)
Income tax expense/credit	(11,182)	-
	<hr/>	<hr/>
<b>Profit/(loss) for the period</b>	30,218	(20,826)
	<hr/>	<hr/>
<b>Profit/(loss) attributable to members of the entity</b>	30,218	(20,826)
	<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per Share</b>	<u>c</u>	<u>c</u>
Earnings per share for the period:	3.36	( 2.31)

*The accompanying notes form part of these financial statements.*

### **Auditor's Independence Declaration**

As lead auditor for the review of Balmain-Rozelle Financial Services Limited I declare that, to the best of my knowledge and belief, in relation to the review of the half year ended 31 December 2009 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**  
**Auditor**

**Andrew Frewin & Stewart**  
Bendigo, Victoria

Dated this 24th day of February 2010

**Balmain / Rozelle Financial Services Limited**  
**ABN 95 112 711 654**  
**Balance Sheet**  
**as at 31 December 2009**

	<b>31-Dec 2009 \$</b>	<b>30-Jun 2009 \$</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash assets	345	205
Trade and other receivables	51,284	41,373
<b>Total Current Assets</b>	<u>51,629</u>	<u>41,578</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	190,869	196,465
Intangible assets	5,950	12,000
Deferred tax asset	104,791	115,973
<b>Total Non-Current Assets</b>	<u>301,610</u>	<u>324,438</u>
<b>Total Assets</b>	<u>353,239</u>	<u>366,016</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	20,609	30,558
Financial liabilities	79,841	104,967
Provisions	6,271	13,929
<b>Total Current Liabilities</b>	<u>106,721</u>	<u>149,454</u>
<b>Non-Current Liabilities</b>		
Provisions	194	456
<b>Total Non-Current Liabilities</b>	<u>194</u>	<u>456</u>
<b>Total Liabilities</b>	<u>106,915</u>	<u>149,910</u>
<b>Net Assets</b>	<u>246,324</u>	<u>216,106</u>
<b>Equity</b>		
Issued capital	863,146	863,146
Accumulated losses	(616,822)	(647,040)
<b>Total Equity</b>	<u>246,324</u>	<u>216,106</u>

*The accompanying notes form part of these financial statements.*

**Balmain / Rozelle Financial Services Limited**  
**ABN 95 112 711 654**  
**Statement of Changes in Equity**  
**for the half-year ended 31 December 2009**

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2008</b>	863,146	(588,542)	274,604
Net profit/(loss) for the period	-	(20,826)	(20,826)
<b>Balance at 31 December 2008</b>	<u>863,146</u>	<u>(609,368)</u>	<u>253,778</u>
<b>Balance at 1 July 2009</b>	863,146	(647,040)	216,106
Net profit/(loss) for the period	-	30,218	30,218
<b>Balance at 31 December 2009</b>	<u>863,146</u>	<u>(616,822)</u>	<u>246,324</u>

*The accompanying notes form part of these financial statements.*

**Balmain / Rozelle Financial Services Limited**  
**ABN 95 112 711 654**  
**Cash Flow Statement**  
**for the half-year ended 31 December 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	314,446	239,186
Payments to suppliers and employees	(281,223)	(244,489)
Interest paid	(4,721)	(3,871)
Interest received	-	289
<b>Net cash provided by/(used in) operating activities</b>	<u>28,502</u>	<u>(8,885)</u>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	(3,235)	(6,743)
<b>Net cash used in investing activities</b>	<u>(3,235)</u>	<u>(6,743)</u>
<b>Net increase/(decrease) in cash held</b>	25,267	(15,628)
Cash at the beginning of the financial year	(104,762)	(57,315)
<b>Cash at the end of the half-year</b>	<u><u>(79,495)</u></u>	<u><u>(72,943)</u></u>

*The accompanying notes form part of these financial statements.*

**Balmain / Rozelle Financial Services Limited**  
**ABN 95 112 711 654**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2009**

**1. Basis of Preparation of the Half-Year Financial Statements**

**Statement of Compliance**

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, *Australian Accounting Standards AASB 134: Interim Financial Reporting*, *Australian Accounting Interpretations* and other authoritative pronouncements of the *Australian Accounting Standards Board ('AASB')*.

**Basis of Accounting**

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the financial report for the year ended 30 June 2009 and any public pronouncements made by the company during the period.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2009. All accounting policies are consistent with those applied in the 30 June 2009 financial statements except as set out below.

Reporting Basis and Convention

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**2. Events Subsequent to Reporting Date**

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

**3. Contingent Assets and Liabilities**

There were no contingent liabilities at the date of this report to affect the financial statements. The company has a contingent tax asset of \$100,719 (Dec 2008 \$91,547) due to carry forward unused tax losses that have not been recognised in the financial statements.

**4. Segment Reporting**

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in one geographic area being Balmain/Rozelle district, Sydney.

**5. Related Parties**

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial report.



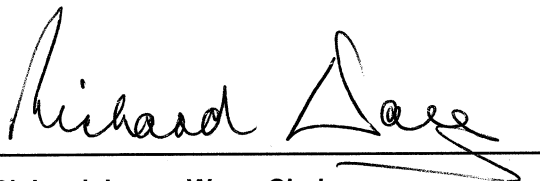
**Balmain / Rozelle Financial Services Limited**  
**ABN 95 112 711 654**  
**Directors' Declaration**

In the opinion of the directors of Balmain / Rozelle Financial Services Limited ("the Company"):

- 1 The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Richard Ware', is written over a horizontal line.

**Richard James Ware, Chairman**

Dated this 24th day of February 2010.

## **INDEPENDENT AUDITOR'S REPORT**

To the members of Balmain-Rozelle Financial Services Limited

We have reviewed the accompanying half year financial report of Balmain-Rozelle Financial Services Limited, which comprises the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the half year then ended, a statement of accounting policies and other selected explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the half year 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 control relevant to the preparation and fair presentation of the half year 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.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Balmain-Rozelle Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

## **Independence**

In conducting our review we have complied with the independence requirements of the Corporations Act 2001.

## **Auditor's Opinion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Balmain-Rozelle Financial Services Limited is not in accordance with the Corporations Act 2001 including:

- a) Giving a true and fair view of the company's financial position at 31 December 2009 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



**DAVID HUTCHINGS**

**ANDREW FREWIN & STEWART**

61-65 Bull Street, Bendigo, 3550

Dated this 24th day of February 2010