

2008 annual report



Contents

Chairman's report	2-3
Manager's report	4-5
Director's report	6-13
Auditor's independence declaration	14
Financial statements	15-18
Notes to the financial statements	19-39
Directors' declaration	40
Independent audit report	41-42
BSX report	43-44

Chairman's report

For year ending 30 June 2008

Overview

Gosnells Financial Services Limited has grown from a fledgling Company to a successful and profitable business, trading under the name of Gosnells **Community Bank**[®] Branch, a franchise purchased from Bendigo and Adelaide Bank Limited.

The Gosnells **Community Bank**[®] Branch has had another profitable year which has meant increased sponsorship to the local community and a dividend to the shareholders who have shown faith in the Company's future and community concept.

With the maturing of the Company and listing on the Bendigo Stock Exchange, there has been a need to strengthen the management process and procedures to enhance our corporate governance. Part of improving the management process is having checks and procedures in place and certain specific tasks are now outsourced for consistency and quality in our processes. This will continually be reviewed for cost and quality of service received.

One example of outsourcing of the Company's obligations was entering into a contract in February 2008 with Security Transfer Registrars Pty Ltd of Applecross to manage our share registry. I acknowledge there have been a few hiccups in the initial stages as it has been a big undertaking, but I ask that you have patience and continue to liaise with their office until we resolve all issues. The Board acknowledges the hard work and dedication that Judith van der Linden has willingly given over the past four years to maintain the share register in-house.

Results and dividend

For the first time the Company has recorded revenue in excess of \$1 million dollars and a record profit for the financial year, which has almost wiped out past losses and restored shareholders equity to the original amount of \$588,400.00. The Board has declared a 2008 dividend of seven and half (0.075) cents per share payable on 14 November 2008.

Future direction

The Board and our Branch Manager, Michelle Lennox, continues to look for new opportunities that may help grow the branch's banking activities within the local area. The medium to long term benefits and start up costs are two of the main ingredients that are carefully analysed.

The Board has given consideration to placing one or two new Automatic Teller Machines in strategic places; however, there is a considerable cost in leasing the equipment and ongoing security costs in replenishing cash for the machines without any demonstrable addition to our profit. Our partners at Bendigo and Adelaide Bank Ltd have been very helpful providing information on the concept for our consideration. The Board has not totally rejected the possibility and will review this area again should the position change.

Chairman's report continued

Like many Companies, we are not sure what the business outlook will be for the coming year and we believe there needs to be some conservatism in any project that requires substantial amounts of capital.

To assist Director's in growing the business they will continue to attend the State and National **Community Bank**® conferences and build relationships with other branches, to gain new ideas and methods that we can harness in promoting the bank in our community.

Sponsorship

The Branch's Manager, Michelle Lennox, has included in her report the number of organisations we have been able to help during the past 12 months. The Board will continue to assess requests that are received and endeavour to make fair decisions on the basis of the purpose for the funds and the potential to promote the Gosnells **Community Bank**® Branch. Should a substantial opportunity/project be presented that has the potential to be an ongoing partnership that will benefit the community and the Bank, the Board is committed to giving serious consideration to the request.

Human resources

The Company's successful year in growth and profit has been due to the dedication and excellent work of our Branch Manager, Michelle Lennox, and her staff. Michelle has been instrumental in recruiting and retaining staff, so that quality customer service can be achieved. Michelle has also generated above budget new business for the branch. She is an excellent leader and we have been very fortunate to retain her services. I congratulate Michelle as she commences her fifth year of service.

Board changes

On behalf of the shareholders and the Board, I acknowledge the following Directors who have resigned during the year, Stuart B S Baldock (past Chairman and original Director of the Company), Tim Grace, and Rod Simeons. We thank them and pass on our appreciation for their efforts in growing Gosnells **Community Bank**® Branch. I'd also like to extend a warm welcome our newest Director Linda Trouchet, who joined the Board in June this year.

Community focus

Gosnells **Community Bank**® Branch is committed to assisting our community and making a difference by working together with organisations who share our goals. We achieve this by fostering relationships with our customers and our local community.



Bill Walter
Chairman

Manager's report

For year ending 30 June 2008

I am pleased to report that over the past year our business has continued to grow. We hold a total of 7,620 accounts with a total business portfolio of \$ 76 million as at 30 June 2008. This is split between deposits of \$49.1 million and lending of \$26.9 million. As at June 2007, our total business portfolio was \$61.8 million with a total of 7,363 accounts held. In summary, our business has grown by \$14.2 million.

I would like to acknowledge and thank my wonderful staff members Julie Collova, Anne Doherty, Samantha Stain, Sharon Saunders, Sariah Wilkinson, Leanne Atkin and Patricia Albadran for their ongoing commitment and support during the year.

I also thank the Board of Directors for their support and guidance together with our business partners, Bendigo Bank.

The Gosnells **Community Bank**[®] Branch continues to be actively involved in community events and sponsorships and has contributed over \$28,000 in the last financial year.

Some of these are as follows:

- Gosnells Bowling Club
- Gosnells Football Club
- Gosnells City Business & Tourism Association
- Canning Vale College
- Gosnells Primary School – School Banking Programme
- Ashburton Drive Primary School – School Banking Programme
- Langford Senior Citizens
- Yule Brook Football Academy
- Gosnells Cricket Club
- Gosnells Volunteer Fire Brigade
- Baseball WA (Major league & tee-ball)
- Bullseye Dart Club
- Gosnells Horticultural Society
- Mary Carroll Park
- Gosnells Scouts

The Gosnells **Community Bank**[®] Branch takes much pride in supporting our community. It is an overwhelming feeling to know that we (as a **Community Bank**[®] branch) have helped the above organisations achieve some of their goals. That's what it's all about.

Manager's report continued

In appreciation of our support, some of the above clubs proudly display the **Community Bank®** branch signage on their premises and wear shirts that have our logo. This further promotes the Gosnells **Community Bank®** Branch to local people and the many visitors who play at local clubs.

The Gosnells **Community Bank®** Branch is continually looking at ways to increase business and grow an awareness of our branch within the Community; and business expansion is not out of the question. It is imperative that we continue to grow our business within our community and also look outside the square for further opportunities.

Finally, I would like to thank all our shareholders and customers for their continuing support and for promoting their **Community Bank®** branch with pride and confidence which ultimately benefits the community as a whole.

A handwritten signature in black ink, appearing to read 'Michelle Lennox', with a stylized, cursive script.

Michelle Lennox
Branch Manager

Director's report

For year ending 30 June 2008

Your Directors present their report on the Company for the year ended 30 June 2008.

Directors

The names of Directors in office at any time during or since the end of the year are:

Bill Walter

Position: Chairman

Occupation: Business Proprietor

Background Information: Diploma Credit Manager. Resided locally for 29 years. Former president of Crestwood Home Owners Association. On the Board of BEC Gosnells/Armadale and Member of Business and Tourism.

Directorships held in other entities: None

Interest in shares and options: 1,001 shares

Judith van der Linden

Position: Non-Executive Director

Occupation: Business administrator

Background Information: Member of Community projects for the regeneration of Maddington & Kenwick.

Directorships held in other entities: None

Interest in shares and options: 500 shares

Angela Yates

Position: Non-Executive Director

Occupation: Business Proprietor

Background Information: Printing business Maddington

Directorships held in other entities: None

Interest in shares and options: Nil

Michelle Lennox

Position: Executive Director

Occupation: Bank Manager

Background Information: Manager of Bendigo Bank, Gosnells

Directorships held in other entities: None

Interest in shares and options: Nil

Director's report continued

Linda Trouchet (Appointed 21 May 2008)

Position: Non-Executive Director

Occupation: Education Assistant

Background Information: Previously employed in the insurance industry advancing to the position of Product Development Officer. Completed a Diploma in Business (General Insurance) and was admitted as an Associate of the Australian Insurance Institute.

Have operated several successful businesses including a bookkeeping services and a Supermarket.

Currently employed as a relief Education Assistant and is an active member of the school P & C Association.

Directorships held in other entities: None

Interest in shares and options: Nil

Ray Norvill (Appointed 10 October 2007)

Position: Non-Executive Director

Occupation: Pastor

Background Information: Member of Community Leadership Network, Kenwick

Directorships held in other entities: None

Interest in shares and options: Nil

Stuart Brian Stanley Baldock (Resigned 12 February 2008)

Position: Chairman

Occupation: Manager

Background Information: Business management, accountant, property development.

Directorships held in other entities: None

Interest in shares and options: 2,501 shares

Tim Grace (Resigned 19 September 2007)

Position: Non-Executive Director

Occupation: Urban designer

Background Information: M.U.R.P (Urban Design), BSc (Architecture) Urban designer Design Centre of WA (present), City of Gosnells(2005/06) and Sutherland Shire Council (2003 – 2005).

Directorships held in other entities: None

Interest in shares and options: Nil

Rod Simeons (Resigned 21 May 2008)

Position: Non-Executive Director

Occupation: Education

Background Information: Master of Education. School principal 1997-2007 (Presently Gosnells Primary School). Member Central Office Utilities Management Group and District Management Committee.

Directorships held in other entities: None

Interest in shares and options: Nil

Director's report continued

Company Secretary

Keith van der Linden

Background Information: Has been a CPA since March 1970 and ACIS since May 1987, worked in industry from 1960 to 1990 have been in Public Practice since 1990 in Maddington WA also spent one year with CP Bird & Assoc in 1970.

Holds a Diploma In Accountancy from Perth Technical College, a BBus from Curtin, and a PGradDipBus from Curtin.

Directors meetings attended

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

Names of Directors	Directors' meetings	
	Number eligible to attend	Number attended
Judith van der Linden	11	9
Michelle Lennox	11	11
Bill Walter	11	9
Angela Yates	11	9
Linda Trouchet	1	1
Ray Norvill	8	8
Tim Grace	3	0
Rod Simeons	9	5
Stuart Baldock	6	4

Principal activity and review of operations

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

Operating results

The profit of the Company after providing for income tax amounted to \$218,558.

Dividends paid or recommended

The Company paid dividends of \$44,413 during the year. In September 2008 the Company has declared a dividend of \$44,413 being at the rate 7.5 cents per share out of the 2007-08 profits to be paid in November 2008.

Director's report continued

Financial position

The net assets of the Company at year end were \$559,381 which is an improvement on prior year due to the improved operating performance of the Company.

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

Significant changes in state of affairs

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

After balance date events

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

Future developments

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

REMUNERATION REPORT

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

Remuneration of Directors or Executives

The Board approved the following payments to reimburse non-executive Directors for "out of pocket expenses" incurred during the financial year:

Names of Directors	2008	2007
Bill Walter	360	-
Ray Norvill	300	-
Judith van der Linden	360	-
Angela Yates	360	-
Total Remuneration	\$1,380	\$ -

Director's report continued

Remuneration policy

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

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

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

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

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

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

Performance-based remuneration

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

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed

Director's report continued

in relation to the Company's goals and shareholder wealth, before the KPIs are set for the following year. In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures.

Company performance, shareholder wealth and Executive remuneration

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

Key management personnel remuneration policy

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

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

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

Key management personnel remuneration

	Salary, fees and commissions \$	Superannuation contribution	Cash bonus \$	Non-cash benefits \$	Total \$	Performance related \$
2008						
Michelle Lennox	90,000	8,100	5,000	-	103,100	-
	90,000	8,100	5,000	-	103,100	-
2007						
Michelle Lennox	76,846	6,916	-	-	83,762	-
	76,846	6,916	-	-	83,762	-

Performance income as a proportion of total remuneration

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

Director's report continued

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

Options

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

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

Indemnifying Officers or Auditor

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

Share options

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

Environmental issues

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

Proceedings on behalf of Company

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

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

Corporate governance

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

- a) Director approval of operating budgets and monitoring of progress against these budgets;
- b) Ongoing Director training; and
- c) Monthly Director meetings to discuss performance and strategic plans

The Company has not appointed a separate audit committee due to the size and nature of operations. The normal functions and responsibilities of an audit committee have been assumed by the Board.

Non-audit Services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2002. The Directors are satisfied

Director's report continued

that the services disclosed below did not compromise the external Auditor's independence for the following reasons:

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

The following fees for non-audit services were paid/payable to the external Auditors during the year ended 30 June 2008:

Taxation services: \$5,200

Auditor's independence declaration

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

This report is signed in accordance with a resolution of the Board of Directors.



Bill Walter

Chairman

Dated 12 September 2008.

Auditor's independence declaration

Auditor's independence declaration

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial statements of Gosnells Financial Services Limited for the financial year ended 30 June 2008 there have been no contraventions of:

- a. the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- b. any applicable code of professional conduct in relation to the audit.

RSM BIRD CAMERON PARTNERS

Chartered Accountants

Perth, Western Australia



David Wall

Partner

Dated 12 September 2008.

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenue	2	1,048,671	863,163
Employee benefits expense		(417,713)	(321,838)
Depreciation and amortisation expense		(19,735)	(31,263)
Other expenses	3	(292,287)	(289,373)
Profit before income tax		318,936	220,689
Income tax expense	4	(100,378)	(68,149)
Profit attributable to members		218,558	152,540
Overall operations			
Basic profit per share (cents per share)		36.91	25.76
Diluted profit per share (cents per share)		36.91	25.76

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
Current assets			
Cash and cash equivalents	5	547,937	251,656
Trade and other receivables	6	100,418	82,557
Other current assets	7	1,684	679
Total current assets		650,039	334,892
Non-current assets			
Property, plant and equipment	8	29,770	21,663
Intangible assets	9	36,822	46,822
Deferred tax asset	21	8,546	47,604
Total non-current assets		75,138	116,089
Total assets		725,177	450,981
Current liabilities			
Trade and other payables	10	75,991	41,366
Short-term provisions	11	28,486	20,740
Current tax liability	21	61,319	-
Total current liabilities		165,796	62,106
Total liabilities		165,796	62,106
Net assets		559,381	388,875
Equity			
Issued capital	12	588,400	588,400
Accumulated losses		(29,019)	(199,525)
Total equity		559,381	388,875

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		1,008,247	844,076
Payments to suppliers and employees		(663,353)	(599,087)
Interest received		17,281	2,714
Net cash provided by operating activities	13(a)	362,175	247,703
Cash flows from investing activities			
Payments for plant and equipment		(17,842)	(9,779)
Payments for franchise renewal		-	(50,000)
Net cash used in investing activities		(17,842)	(59,779)
Cash flows from financing activities			
Dividends paid		(48,052)	(26,221)
Net cash used in financing activities		(48,052)	(26,221)
Net increase in cash held		296,281	161,703
Cash held at the beginning of the financial year		251,656	89,953
Cash held at the end of the financial year	5	547,937	251,656

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Share capital (Ordinary shares)	Retained profits/ (Accumulated losses)	Total
	\$	\$	\$
Balance at 1 July 2006	588,400	(325,845)	262,555
Profit attributable to the members of the Company	-	152,540	152,540
Dividends paid or provided	-	(26,220)	(26,220)
Balance at 30 June 2007	588,400	(199,525)	388,875
Balance at 1 July 2007	588,400	(199,525)	388,875
Profit attributable to the members of the Company	-	218,558	218,558
Dividends paid or provided	-	(44,413)	(44,413)
Dividends unprovided for in previous years	-	(3,639)	(3,639)
Balance at 30 June 2008	588,400	(29,019)	559,381

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Statement of significant accounting policies

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

The financial report covers Gosnells Financial Services Limited as an individual entity. Gosnells Financial Services Limited is a public Company, incorporated and domiciled in Australia.

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

The 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.

(a) Income tax

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

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

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

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

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(a) Income tax (continued)

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

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

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

(b) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

Depreciation

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

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

Class of fixed asset	Depreciation rate
Plant and equipment	20%

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

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

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

(c) Leases

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

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

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

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

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

(d) Financial instruments

Recognition and initial measurement

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

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(d) Financial instruments

Derecognition

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

Classification and subsequent measurement

i. Financial assets at fair value through profit or loss

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

ii. Loans and receivables

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

iii. Held-to-maturity investments

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

iv. Available-for-sale financial assets

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

v. Financial liabilities

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(d) Financial instruments

Derivative instruments

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

The Company does not hold any derivative instruments.

Fair value

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

Impairment

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

Financial guarantees

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

The Company has not issued any financial guarantees.

(e) Impairment of assets

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

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

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(f) Intangibles

Franchise fee

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

(g) Employee benefits

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

(h) Provisions

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

(i) Cash and cash equivalents

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

(j) Revenue and other income

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

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

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

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

(k) Borrowing costs

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

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(l) Goods and services tax (GST)

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

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

(m) Comparative figures

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

(n) Critical accounting estimates and judgments

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

Key estimates — Impairment

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

No impairment has been recognised in respect of intangibles for the year ended 30 June 2008. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2008 amounting to \$36,822.

(o) Authorisation for financial report

The financial report was authorised for issue on 12 September 2008 by the Board of Directors.

Notes to the financial statements continued

	2008 \$	2007 \$
Note 2. Revenue		
Franchise margin income	1,032,669	851,008
Other revenue	776	3,078
Interest revenue	15,226	9,077
	1,048,671	863,163

Note 3. Expenses

Advertising and marketing	26,025	3,736
ATM leasing and running costs	14,446	-
Bad debts	545	-
Community sponsorship and donations	26,151	13,269
IT leasing and running costs	29,406	-
Insurance	13,035	-
Occupancy running costs	22,787	29,961
Office supplies	-	118,067
Postage and freight	11,682	-
Printing and stationary	14,417	-
Rental on operating lease	49,476	55,721
Other operating expenses	84,317	68,619
	292,287	289,373

Remuneration of the Auditors of the Company

Audit services	12,166	3,590
Other Services	5,200	4,090
	17,366	7,680

Notes to the financial statements continued

	2008 \$	2007 \$
Note 4. Income tax expense		
a. The components of tax expense comprise:		
Current tax	61,312	-
Deferred tax (Note 21)	(2,324)	(2,490)
Recoupment of prior year tax losses	41,390	70,631
	100,378	68,141
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2007: 30%)	95,681	66,207
Add:		
Tax effect of:		
non-deductible depreciation and amortisation	5,920	2,204
other non-allowable items	4,675	-
Less:		
Tax effect of:		
other allowable items	(5,898)	(270)
Income tax attributable to the Company	100,378	68,141

At balance date, the Company had tax losses of \$0 (2007: \$137,968) which are available to offset future years' taxable income.

The future income tax benefit of these tax losses is \$0 (2007: \$41,390). This benefit has been recognised as an asset in the statement of financial position as there is a high probability of its realisation. The benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Company continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

Notes to the financial statements continued

	2008 \$	2007 \$
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Note 5. Cash and cash equivalents

Cash at bank and in hand	105,651	71,656
Short-term bank deposits	442,286	180,000
	547,937	251,656

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	547,937	251,656
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Note 6. Trade and other receivables

Trade debtors	100,418	82,557
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Note 7. Other assets

Current

Prepayments	1,684	679
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Note 8. Property, plant and equipment

Plant and Equipment

Cost	218,326	200,484
Accumulated depreciation	(188,556)	(178,821)
	29,770	21,663

Movement in carrying amount

Balance at the beginning of the year	21,663	35,802
Additions	17,842	9,779
Depreciation expense	(9,735)	(23,918)
Carrying amount at the end of the year	29,770	21,663

Notes to the financial statements continued

	2008 \$	2007 \$
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Note 9. Intangible assets

Franchise fee

Cost	100,000	100,000
Accumulated amortisation	(63,178)	(53,178)
	36,822	46,822

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

Note 10. Trade and other payables

Trade creditors and accruals	49,530	25,892
GST payable	26,461	15,474
	75,991	41,366

Note 11. Provisions

Current

Provision for employee entitlements	28,486	20,740
Number of employees at year end	8	8

Note 12. Equity

592,180 (2007:592,180) fully paid ordinary shares	592,180	592,180
Cost of raising equity	(3,780)	(3,780)
	588,400	588,400

Notes to the financial statements continued

	2008 \$	2007 \$
Note 13. Cash flow information		
a. Reconciliation of cash flow from operations with profit after tax		
Profit after tax	218,558	152,540
Depreciation and amortisation	19,735	31,263
Movement in assets and liabilities		
Receivables	(17,861)	(21,654)
Other assets	(1,005)	7,544
Deferred tax asset	39,058	68,150
Payables	34,625	1,408
Current tax liabilities	61,319	-
Provisions	7,746	8,452
Net cash provided by/(used in) operating activities	362,175	247,703

b. Credit standby arrangement and loan facilities

The Company does not operate a bank overdraft facility or have any loan facilities at present.

Note 14. Related party transactions

Gosnells Financial Services Limited makes payments for its printing to the Company "Print Smart Online Pty Ltd" of which Angela Yates is a Director. Amounts paid by GFS to Printsart over the 2008 financial year were \$3,149.98.

Gosnells Financial Services Limited contracts out its Company Secretary and Treasurer position to Davison Business Accountants, of which Keith van der Linden is the owner. Amounts paid to Davison Business Accountants over the 2008 financial year were \$260.

No other related parties have entered into a transaction with the Company during the financial years ended 30 June 2008 and 30 June 2007.

Notes to the financial statements continued

	2008 \$	2007 \$
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Note 15. Leasing commitments

Non cancellable operating lease commitment contracted for but not capitalised in the financial statements

Payable		
Not longer than 1 year	57,328	57,328
Longer than 1 year but not longer than 5 years	124,211	181,539
	181,539	238,867

Note 16. Dividends

Distributions paid

Unfranked dividend paid on 29 November 2007 of 7.5

(2007: 5.0) cents per share.

44,413

26,220

Note 17. Financial instruments

a. Financial risk management

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

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

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

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

The Company does not have any derivative instruments at 30 June 2008.

Notes to the financial statements continued

Note 17. Financial instruments (continued)

b. Financial Risk exposures and management

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

i. Interest rate risk

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

ii. Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies.

lii. Liquidity risk

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

iv. Credit risk

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

There are no material amounts of collateral held as security at 30 June 2008.

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

Credit risk is managed reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the Company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2008 and 30 June 2007 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

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

Notes to the financial statements continued

Note 17. Financial instruments (continued)

c. Financial instrument composition and maturity analysis

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

	Weighted average effective interest rate	Variable Floating interest rate	Fixed Within 1 year	Fixed Within 1 to 5 years	Non interest bearing	Total
2008						
Financial assets						
Cash and cash equivalents	2.37%	105,501	-	-	150	105,651
Short term deposits	9.87%	-	442,286	-	-	442,286
Loans and receivables		-	-	-	100,418	100,418
Total financial assets		105,501	442,286	-	100,568	648,355
Financial liability						
Trade and other payables		-	-	-	75,991	75,991
Total financial liabilities		-	-	-	75,991	75,991

	Weighted average effective interest rate	Variable Floating interest rate	Fixed Within 1 year	Fixed Within 1 to 5 years	Non interest bearing	Total
2007						
Financial assets						
Cash and cash equivalents	1.09%	71,506	-	-	150	71,656
Short term deposits	7.27%	-	180,000	-	-	180,000
Loans and receivables		-	-	-	82,557	82,557
Total financial assets		71,506	180,000	-	82,707	334,213
Financial liability						
Trade and other payables		-	-	-	41,366	41,366
Total financial liabilities		-	-	-	41,366	41,366

Notes to the financial statements continued

	2008 \$	2007 \$
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Note 17. Financial instruments (continued)

Trade and sundry payables are expected to be paid as followed:

Less than 6 months	75,991	29,209
6 months to 1 year	-	8,085
1 to 5 years	-	4,042
	75,991	41,336

d. Net fair values

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

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

Fair values are materially in line with carrying values.

e. Sensitivity analysis

i. Interest rate risk

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

ii. Interest rate sensitivity analysis

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

		-2 %		+ 2%	
	Carrying amount \$	Profit \$	Equity \$	Profit \$	Equity \$
2008					
Financial assets					
Cash and cash equivalents	105,501	(2,110)	(2,110)	2,110	2,110
2007					
Financial assets					
Cash and cash equivalents	71,506	(1,430)	(1,430)	1,430	1,430

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

Notes to the financial statements continued

Note 18. Segment reporting

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

Note 19. Events after the balance sheet date

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

Note 20. Contingent liabilities and contingent assets

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

	2008 \$	2007 \$
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Note 21. Tax

a. Liability

Current

Income tax	61,319	-
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b. Assets

Deferred tax assets comprise:

Provisions	8,546	6,222
Other		41,390
	8,546	47,612

c. Reconciliations

i. Gross movements

The overall movement in the deferred tax account is as follows:

Opening balance	47,612	115,754
Charge/(credit) to income statement	(39,066)	(68,142)
Closing balance	8,546	47,612

Notes to the financial statements continued

	2008 \$	2007 \$
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Note 21. Tax (continued)

c. Reconciliations (continued)

ii. Deferred tax assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	6,222	3,733
Credited to the income statement	2,324	2,489
Closing balance	8,546	6,222
Others		
Opening balance	41,390	112,021
Credited to the income statement	(41,390)	(70,631)
Closing balance	-	41,390

Note 22. Key management personnel compensation

a. Names and positions

Name	Position
Bill Walter	Chairman
Stuart Baldock	Chairman (Resigned)
Judith van der Linden	Non-Executive Director
Michelle Lennox	Executive Director
Angela Yates	Non-Executive Director
Linda Trouchet	Non-Executive Director
Ray Norvill	Non-Executive Director
Tim Grace	Non-Executive Director (Resigned)
Rod Simeons	Non-Executive Director (Resigned)

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

Notes to the financial statements continued

Note 22. Key management personnel compensation (continued)

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

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

c. Option holdings

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

d. Shareholdings

Number of ordinary shares held by key management personnel

2008				
Directors	Ordinary shares			
	Balance at beginning of period	Purchased during the period	Other changes	Balance at end of period
Bill Walter	-	1,001	-	1,001
Stuart Baldock	2,501	-	-	2,501
Judith van der Linden	500	-	-	500
	3,001	1,001	-	4,002

Notes to the financial statements continued

Note 23. Changes in accounting policy

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB amendment	Standards affected		Outline of amendment	Application date of standard	Application date for group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009
	AASB 6	Exploration for and Evaluation of Mineral			
	AASB 102	Inventories			
	AASB 107	Cash Flow Statements			
	AASB 119	Employee Benefits			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
	AASB 1023	General Insurance Contracts			
	AASB 1038	Life Insurance Contracts			
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	1.1.2009	1.7.2009

Notes to the financial statements continued

Note 23. Changes in accounting policy (continued)

AASB amendment	Standards affected		Outline of amendment	Application date of standard	Application date for group
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income. The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.7.2009

Note 24. Company details

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

2227 Albany Highway,
Gosnells WA 6110

Director's declaration

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standard and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable:

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



Bill Walter
Chairman

Dated 12 September 2008.

Independent audit report

Report on the financial report

We have audited the accompanying financial report of Gosnells Financial Services Limited (“the Company”), 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 period ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors’ declaration.

Directors’ responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor’s responsibility

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

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

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

Independence

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

Independent audit report continued

Auditor's opinion on the financial report

- a. the financial report of Gosnells Financial Services Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 7 to 8 of the Directors' report for the financial period ended 30 June 2008. 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 Gosnells Financial Services Limited for the financial period ended 30 June 2008 complies with section 300A of the Corporations Act 2001.

RSM BIRD CAMERON PARTNERS

Chartered Accountants

Perth, Western Australia



David Wall

Partner

Dated 12 September 2008.

BSX report

Additional Information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 July 2008.

(a) Distribution of equity securities

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

Share distribution schedule	Holders	Shares held	% L/C
1 - 1,000	364	177,792	30.02
1,001 - 5,000	96	265,688	44.87
5,001 - 10,000	15	135,700	22.92
10,001 - 100,000	1	13,000	2.20
100,001 and over	-	-	-
T	1,992	592,180	100.00

There are currently 176 holders of parcels less than the minimum 500. Their holdings total 27,133 shares.

(b) Ten largest shareholders

The names of the ten largest shareholders of quoted shares are:

Listed ordinary shares	Number of shares	Number of ordinary shares
1 Mr Gabor M Nagy	13,000	13,000
2 Mr Barry K Maberry	10,000	10,000
3 Miels Pty Ltd	10,000	10,000
4 Ms Doreen A Calway	10,000	10,000
5 Mr Leonard G Axford	10,000	10,000
6 Mr Peter T Horn	10,000	10,000
7 Mr Walter R Calway	10,000	10,000
8 Mr William F Coote	10,000	10,000
9 Mr Walter A King	10,000	10,000
10 Mr Wayne G Holl	10,000	10,000
11 Ms Marysia Gwilliam	10,000	10,000
12 Mrs Joan E L King	10,000	10,000

(c) Voting rights

Each shareholder has one vote.

BSX report continued

(d) Corporate governance statement

- The Board guides and monitors the business and affairs on behalf of the shareholders to whom they are accountable.
- The Board recognises the importance of a strong corporate governance focus and methodology. The Board is currently working towards adopting policies and procedures that will govern our Company into the future. We believe that building policy framework will assist the future direction of our local Company, provide accountability and transparency and ensure there are guiding principles in place for future decision making.
- The Board does have an Audit Committee.

Monitoring of the Board's performance and communication to shareholders:

- In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is reviewed annually by the Chairperson.
- Directors whose performance is unsatisfactory are asked to retire.
- The Board and Directors aim to ensure that shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors.

(e) Name of Company Secretary

Keith van der Linden

(f) Address and telephone number of registered office

2227 Albany Highway,
Gosnells WA 6110
Phone: (08) 9493 2444
Fax: (08) 9493 1929

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

Security Transfer Registrars Pty Ltd
770 Canning Highway,
Applecross WA 6153
Phone: (09) 9315 333
Fax: (08) 9315 2233

(h) Trading history

The trading history for Gosnells Financial Services Limited is available on the BSX website at www.bsx.com.au

Gosnells **Community Bank**® Branch
2227 Albany Highway, Gosnells WA 6110
Phone: (08) 9490 4233 Fax: (08) 9490 4266
Franchisee: Gosnells Financial Services Limited
2227 Albany Highway, Gosnells WA 6110
Phone: (08) 9490 4233 Fax: (08) 9490 4266
ABN 11 095 764 533

www.bendigobank.com.au/gosnells
Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR8051) (08/08)