

2009

annual report

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Chairman's report

For year ending 30 June 2009

It is my pleasure to present to you our sixth annual report and I feel extremely confident of our current financial position. With the current economic climate being as it is we have managed to achieve acceptable profits together with strong loan and deposit activity. This has all been achieved after paying our shareholders a seven cent per share dividend in November 2008.

We continue to invest and sponsor many community groups throughout the greater Logan City. Examples of these are our continuity in facilitating Logan's Big Day Out, offering many groups of people with disabilities a day to participate in a range of fun events and we have also supported the Dream It Up event in conjunction with the Logan Chamber of Commerce, there is also our investment in the Logan & Districts Ambulance Committee to assist with the purchase of a much needed life support machine, which will benefit the residents of our city when needed. Our notable relationship with the PCYC organisation throughout Logan City has continued to develop by way of providing financial assistance to this wonderful community organisation; which now also sees them involved with the Lead On Logan program another of Logan Community Financial Services Limited's commitment to the youth of our community.

It is important to announce our fifth branch opening in Beenleigh, which will only increase our exposure and our banking business to the newly amalgamated area of the Logan City Community. This ensures a strong investment for our shareholders, now having five bank branches throughout our city.

With such a large staff base our objective is to promote within our network and this has been evident by employing local people in our new Beenleigh Sub Branch. It is a Company mandate to continue to provide our staff with training to further their opportunity for succession.

All of this cannot be achieved without the support from our partners Bendigo and Adelaide Bank Ltd. The professionalism and support from Mark Lally, Regional Manager, South East Queensland and his team is also very much appreciated. My thanks go to all the Bendigo and Adelaide Bank Ltd support network throughout the past year.

Much of the success of our branches belongs to our staff and it is a heartfelt thank you to Drue Hutchinson, our Area Manager and his team for such a dedicated and successful year.

As for my fellow Directors, they are an amazing group of community minded people who have always given their time and support to achieve the goals and objectives necessary to make our Company the success it is. As custodians of a \$270 million Company they have been exemplary with their professionalism and passion.

My thanks to our Company Secretary Ian Pynor who is always available when required and not to forget our Administration Manager, Michelle Todd.

Chairman's report continued

During the past year two of our long standing Directors retired, Alan Gough and Steve Simpson and I thank them both for the enormous contribution they made during the past five years. We welcome to our Board two new Directors, Jason Luckhardt and Leonie Deaves, they both bring to our Company many years of corporate experience.

May I personally say that as your Chairman for the past six years it has been extremely rewarding and exciting to be part of such a successful banking group. I believe having achieved consistent profit together with our Beenleigh expansion we are now in a position to offer our community the rewards that flow from our success. Testimony to this achievement was recently being the recipients of Bendigo and Adelaide Bank Ltd's State Hall of Fame award for Queensland.

Thank you to our shareholders who have been supportive both through continuing to bank and engage with us during the past year. I feel privileged and humbled to be the leader of such a professional Company and I look forward to the continued success your Company deserves.



Colin Nelson

Chairman

Area Manager's report

For year ending 30 June 2009

Here we are at the end of our sixth full year of trading as a **Community Bank®** Company in Logan City and it is with great pleasure that I am able to report on a vastly matured and highly successful business when compared with our conversion on 1 June 2003.

Business growth

As was reported at last year's Annual General Meeting, we set out this financial year with some very ambitious growth targets.

When these targets were established for the new financial year there was no comprehension of the global financial crisis that has affected the Australian economy over this last financial year. However Logan **Community Bank®** group can report that we grew our 'funds under management' (business) by \$21 million in the financial year giving us a closing balance of \$269 million in banking business. This equates to a growth of 8% on the previous year's balance.

Previously there has been a reliance on home lending. In recent years and with the known volatility of that market, our Managers have maintained a greater focus on small to medium business lending, as well as ensuring that branch staff are more focused on alternative products that the bank offers. This process is about educating our customer base that Bendigo and Adelaide Bank Ltd is more than just a home loan bank and that it does offer a wide range of services at a local level including financial planning and insurance needs.

For the current financial year we have budgeted on very similar growth levels and we see this growth tracking well early on.

Human resources

This financial year brought about some changes in our respective teams, in both management and sales and service. As anyone in the business would understand, this can create some challenges with your business capacity and has a lag effect while new staff are trained and educated on what the **Community Bank®** concept is all about. With this in mind, it is all the more pleasing that we achieved the results as stated above.

During this financial year there have been a number of changes including the establishment and appointment of Sue Tansey to initially manage the Browns Plains branch and then follow on to lead the Beenleigh team in the coming year. Scott Northfield is an existing Manager within the Bendigo and Adelaide Bank Ltd network and has been recruited to take over the reigns at the Browns Plains Branch. Both staff have over ten years of banking experience and are excited to fulfil the expectations of the new and existing customers of the Logan **Community Bank®** group. Donna Lawrence has continued to grow within the

Area Manager's report continued

organisation and has successfully lead the Springwood branch this year. Dionne Massouras continues to drive results from the Loganholme and Marsden areas.

Community engagement

Community engagement is an ongoing focus of our entire team this year. The Logan **Community Bank**® group is proud of its wide and varied contribution to community groups in the wider Logan area and the financials obviously attest to this.

Let's not forget also that our engagement with community gives our Company a far more positive conversation to be having with those looking who do business with us. As the economy contracts and enters a period of unknown, more and more customers will look for local solutions to their financial needs. As the Logan **Community Bank**® group are proud supporters of many varied groups, the **Community Bank**® Company is in the prime position of our message getting out into the wider community and beyond.

Some of the notable involvements of our teams this year have been in events such as:-

- Logan **Community Bank**® Branch Big Day Out for People with Disabilities
- Major Sponsorship of Logan and Beenleigh PCYC's \$30,000pa
- Mater Little Miracles Appeal
- Lead On Logan is now up and running in conjunction with PCYC with our continued financial support of \$24,000pa.

Community engagement will continue to be a key driver in everything our teams do and we will see the above list expand in the coming years.

The Logan **Community Bank**® group has also established a grants committee to ensure outcomes in this area are being met and welcome feedback from our shareholders to ensure success in this area.

Business expansion

Early on in the financial year much discussion surrounded expansion opportunities that would arise throughout the year and whilst we knew our business growth was tracking particularly well, we as a management team chose to focus predominantly on our core business of banking and have a strong year of consolidated growth and profit. It is my belief, this has now been achieved and we see expansion now firmly back on the agenda.

That is why I am pleased to announce that Beenleigh branch commenced trade in August 2009 after an extensive campaign to ensure its viability and need in the area. Sue Tansey and branch staff welcome all customer enquiries and have a wide range of expertise to meet your financial needs.

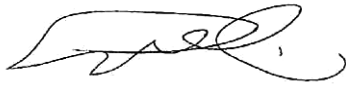
Summary

The 2008/09 financial year has been an excellent consolidation year for our business. We are now operating in clear profit and we have a management and business writing team driving growth above industry standards.

Area Manager's report continued

I would personally like to thank our Chairman Colin Nelson and the Board of Directors for their support and confidence in my ability to manage our business forward over the past year. I applaud their vision and proactive approach to decision making which makes the role all the more enjoyable.

The past financial year has not been without its challenges, however our **Community Bank®** Company has met these challenges well. With an expected easing of economic conditions to occur over the next twelve months future success should be achieved.

A handwritten signature in black ink, appearing to read 'Drue Hutchinson', with a stylized flourish at the end.

Drue Hutchinson

Area Manager

Directors' report

For year ending 30 June 2009

Your Directors submit the financial report of the Company for the financial year ended 30 June 2009.

Directors

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

Colin Albert Nelson

Chairman

Age: 62

Company Director

Diploma Marketing & Business Practice. Business owner for over 20 years.

Interests in shares: 32,001 ordinary shares

Darren John Cahill

Treasurer

Age: 38

Senior Community Enterprise™ Manager, Bendigo and Adelaide Bank Ltd.

Over 20 years in the banking industry (15 with ANZ and 6 with Bendigo and Adelaide Bank Ltd) 13 years management in the industry. Marketing Committee.

Interests in shares: Nil ordinary shares

Sherolyn Lesley Heath

Director

Age: 47

Business Owner

Associate Diploma in Industrial Relations, Double Major in Business, a Certificate of Advertising.

Partner in a creative & Design business & involved in many charity organisations.

Chairman: Marketing.

Interests in shares: 1,000 ordinary shares

John Joseph McLaughlin

Director

Age: 47

Solicitor

LLB, Solicitor in Logan area for over 22 years, specialising in commercial, retail, leasing, conveyancing and franchising.

Vice Chairman, Chairman - Governance & Audit committee member.

Interests in shares: 7,501 ordinary shares

Russell Peter Jenkins

Director

Age: 47

Chief General Manager - Retail & Distribution, Bendigo and Adelaide Bank Ltd

Qualified Chemical Engineer

Interests in shares: Nil ordinary shares

Jason Paul Luckhardt

Director (Appointed 24 November 2008)

Age: 39

Property Sales & Development

Studying towards a Diploma of Business (Marketing), Past Rotarian and former mayoral candidate.

Interests in shares: Nil ordinary shares

Directors' report continued

Mark Anthony Lally

Director (Alternate Director for Russell Peter Jenkins)
Age: 42
Bank Executive, Bendigo and Adelaide Bank Ltd.
Over 25 years banking experience in senior positions with Australian and European banking institutions.
Interests in shares: Nil ordinary shares

Stephen John Simpson

Director (Resigned 28 April 2009)
Age: 51
Interests in shares: Nil ordinary shares

Leonie Therese Deaves

Director (Appointed 5 May 2009)
Age: 39
Property Manager
Certificate 11 Accounting, Certificate 111 Business Admin-
istration, Real Estate Licence, 10 years of property management experience.
Interests in shares: Nil ordinary shares

Alan Leslie Gough

Director (Resigned 26 August 2008)
Age: 55
Interests in shares: 43,001 ordinary shares

Directors were in office for this entire year unless otherwise stated.

Company Secretary

The Company Secretary is Ian Pynor. Ian was appointed to the position on 16 March 2006. Upon resigning from the Board of Directors on 31 December 2007, Ian has remained in the role of Company Secretary.

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 branches of Bendigo and Adelaide Bank Ltd.

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 of the Company for the financial year after provision for income tax was:

Year ended 30 June 2009	Year ended 30 June 2008
\$	\$
336,778	127,495

Directors' report continued

Remuneration report

(a) Directors' fees

At an Extraordinary General Meeting held on 5 May 2009 the shareholders agreed for the Board to be authorised to pay by way of remuneration to the non-executive appointed Directors an amount not exceeding the sum of \$45,000 in aggregate per annum commencing on that date. Distribution amongst the said Directors would be at the discretion of the Board. The Board resolved that commencing on 5 May 2009, the following annual amounts would be paid:

	\$
Chairman	5,000
Deputy Chairman	1,000
Company Secretary (if also a Director)	3,000
Treasurer (if also a Director)	1,000

Further, a fee would be paid for each meeting attended, as follows:

Board meeting	200
Committee meeting	50

The fees payable are not related to performance of the Company, but attendance and contribution to the meetings and the business of the Company, as appropriate. With a full complement of Directors permitted by the Constitution (10), including two Bendigo and Adelaide Bank Ltd Directors, the total payable in one year on the basis outlined above would be \$38,000. Payments to the Directors is made twice yearly, in arrears.

For the year ended 30 June 2009, the following Directors received total remuneration as follows:

	\$
Colin Albert Nelson	1,587.03
Sherolyn Lesley Heath	634.27
John Joseph McLaughlin	721.57
Jason Paul Luckhardt	576.61
Leonie Therese Deaves	595.00
Total payment	4,114.48

Directors' report continued

Remuneration report (continued)

(b) Remuneration of Directors

Darren Cahill, Director is employed by Bendigo and Adelaide Bank Ltd and was previously seconded to Logan Community Financial Services Limited as Area Manager until 22 May 2008. Darren receives nil remuneration or benefits as a Director.

(c) Remuneration of Executives

Ian Pynor through his business Krils Pty Ltd provided Company Secretary services. Commencing on 1 May 2009, the Company was contracted to receive a fee for the provision of this service, at a rate of \$50.00 per hour. There is no contract duration and no provision for termination payments in the agreement. The Company was paid \$1,009.09 (2008: \$Nil).

Drue Hutchinson is seconded to Logan Community Financial Services Limited from Bendigo and Adelaide Bank Ltd as Area Manager. Drue attends Board meetings to give his performance report, but does not have voting rights.

Dividends	Year ended 30 June 2009	
	Cents	\$'000
Final dividends recommended:	-	-
Dividends paid in the year:		
- As recommended in the prior year report	7	216,440

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Logan Community Financial Services Limited officially opened a sub-branch at Shop 2/106 City Road, Beenleigh on 11 August 2009.

There are no other 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' report continued

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest except as disclosed in note 17 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnification and insurance of Directors and Officers

The Company has indemnified all Directors and the Managers in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Managers 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' meetings

The number of Directors' meetings attended by each of the Directors of the Company during the year were:

	Number of Board meetings eligible to attend	Number attended
Colin Albert Nelson	11	9
Darren John Cahill	11	9
Sherolyn Lesley Heath	11	10
John Joseph McLaughlin	11	9
Russell Peter Jenkins #	11	2
Mark Anthony Lally #	11	3
Jason Paul Luckhardt (Appointed 24 November 2008)	7	7
Leonie Therese Deaves (Appointed 25 May 2009)	2	2
Stephen John Simpson (Resigned 28 April 2009)	8	8
Alan Leslie Gough (Resigned 26 August 2008)	1	1

Three of the meetings were attended by alternative Director Mark Lally.

Directors' report continued

Non Audit services

The Company may decide to employ the Auditor on assignments additional to their statutory duties where the Auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the Auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The Board of Directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the Auditor, as set out in the notes did not compromise the Auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;
- none of the services undermine the general principles relating to Auditor independence as set out in Professional Statement F1, including reviewing or auditing the Auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

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 13.

Signed in accordance with a resolution of the Board of Directors at Logan, Queensland on 27 August 2009.



Colin Albert Nelson
Chairman



Ian Pynor
Company Secretary

Auditor's independence declaration



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ABN 51 061 795 337

Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the directors of Logan 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 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.

Graeme Stewart
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 27 day of August 2009

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	3	3,226,316	2,915,273
Salaries and employee benefits expense		(1,496,113)	(1,341,108)
Management advisory fee		-	(300,000)
Charitable donations, sponsorship, advertising & promotion		(144,591)	(55,033)
Occupancy and associated costs		(473,856)	(425,511)
Systems costs		(126,283)	(125,305)
Depreciation and amortisation expense	4	(99,501)	(94,034)
General administration expenses		(386,666)	(376,638)
Profit before income tax expense		499,306	197,644
Income tax expense	5	(162,528)	(70,149)
Profit for the period		336,778	127,495
Profit attributable to members of the entity		336,778	127,495
Earnings per share (cents per share)		¢	¢
- basic for profit for the year	19	10.52	3.98
- dividends paid per share	18	7	-

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash assets	6	610,755	393,904
Trade and other receivables	7	168,397	145,329
Total current assets		779,152	539,233
Non-current assets			
Property, plant and equipment	8	620,549	650,037
Intangible assets	9	221,377	136,230
Deferred tax assets	10	269,026	431,554
Total non-current assets		1,110,952	1,217,821
Total assets		1,890,104	1,757,054
Liabilities			
Current liabilities			
Trade and other payables	11	43,820	26,114
Provisions	12	4,208	1,642
Total current liabilities		48,028	27,756
Total liabilities		48,028	27,756
Net assets		1,842,076	1,729,298
Equity			
Issued capital	13	3,042,211	3,042,211
Accumulated losses	14	(1,200,135)	(1,312,913)
Total equity		1,842,076	1,729,298

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		3,497,318	2,853,036
Payments to suppliers and employees		(3,054,335)	(2,746,500)
Interest received		15,210	12,358
Net cash provided by operating activities	15	458,193	118,894
Cash flows from investing activities			
Payments for property, plant and equipment		(17,342)	(8,510)
Payments for intangible assets		-	(22,968)
Net cash used in investing activities		(17,342)	(31,478)
Cash flows from financing activities			
Dividends paid		(224,000)	-
Net cash used in financing activities		(224,000)	-
Net increase in cash held		216,851	87,416
Cash at the beginning of the financial year		393,904	306,488
Cash at the end of the financial year	6(a)	610,755	393,904

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Note	2009 \$	2008 \$
Total equity at the beginning of the period		1,729,298	1,601,803
Net profit for the period		336,778	127,495
Net income/expense recognised directly in equity		-	-
Total profit recognised by the entity		2,066,076	1,729,298
Dividends provided for or paid		(224,000)	-
Shares issued during period		-	-
Costs of issuing shares		-	-
Total equity at the end of the period		1,842,076	1,729,298

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Summary of significant accounting policies

Basis of preparation

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

Compliance with IFRS

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

Historical cost convention

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

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

Goods and services tax

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

Receivables and payables are stated with the amount of GST included.

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Income tax

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Employee entitlements

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

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

Intangibles

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

During the year the Company upon advice from its tax advisors have reclassified payments made to Bendigo and Adelaide Bank Ltd in relation to its Franchise agreement in 2007/2008 from recognition as a prepayment to classification as an intangible. This has effected the comparative figures from the year ended 30 June 2008.

Cash

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

Comparative figures

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

Property, plant and equipment

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

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.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Payment terms

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

Trade receivables and payables

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

Borrowings

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

Provisions

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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 transactions costs where the instrument.

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 income statement.

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 is transferred to entities in the entity 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Leases (continued)

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.

Provisions

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

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

Contributed equity

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

Earnings per share

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

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.

Notes to the financial statements continued

Note 2. Financial risk management (continued)

(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 Ltd.

(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 Ltd mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Ltd 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 Ltd 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.

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 2009 can be seen in the Income Statement.

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

Notes to the financial statements continued

	2009 \$	2008 \$
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Note 3. Revenue from ordinary activities

Operating activities:

- services commissions	3,200,066	2,883,835
- other revenue	11,040	15,298
Total revenue from operating activities	3,211,106	2,899,133

Non-operating activities:

- interest received	15,210	16,140
Total revenue from non-operating activities	15,210	16,140
Total revenues from ordinary activities	3,226,316	2,915,273

Note 4. Expenses

Depreciation of non-current assets:

- plant and equipment	28,657	26,845
- leasehold improvements	18,174	18,138

Amortisation of non-current assets:

- franchise agreement	52,670	49,051
	99,501	94,034
Bad debts	18,613	11,725

Note 5. Income tax expense

The components of tax expense comprise:

• Deferred tax on provisions	(35,629)	37,880
• Recoupment of prior year tax losses	198,157	32,268
• Future income tax benefit attributable to losses	-	-
	162,528	70,148

Notes to the financial statements continued

	Note	2009 \$	2008 \$
Note 5. Income tax expense (continued)			
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Operating profit		499,306	197,644
Prima facie tax on profit from ordinary activities at 30%		149,792	59,293
Add tax effect of:			
• non-deductible expenses		15,724	14,715
• timing difference expenses		35,629	(38,753)
• blackhole expenses		(2,987)	(2,987)
Current tax		198,157	32,268
Movement in deferred tax	10.	(35,629)	37,880
		162,528	70,148

Note 6. Cash assets

Cash at bank and on hand	194,609	239,356
Term deposits	416,146	154,548
	610,755	393,904

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

6(a) Reconciliation of cash

Cash at bank and on hand	194,609	239,356
Term deposit	416,146	154,548
	610,755	393,904

Note 7. Trade and other receivables

Trade receivables	159,581	134,290
Prepayments	8,816	11,039
	168,397	145,329

Notes to the financial statements continued

	2009 \$	2008 \$
Note 8. Property, plant and equipment		
Plant and equipment		
At cost	312,280	294,938
Less accumulated depreciation	(130,137)	(101,480)
	182,143	193,458
Leasehold improvements		
At cost	528,225	528,225
Less accumulated depreciation	(89,819)	(71,646)
	438,406	456,579
Total written down amount	620,549	650,037
Movements in carrying amounts:		
Plant and equipment		
Carrying amount at beginning	193,458	212,788
Additions	17,342	7,515
Less: depreciation expense	(28,657)	(26,845)
Carrying amount at end	182,143	193,458
Leasehold improvements		
Carrying amount at beginning	456,579	473,720
Additions	-	997
Less: depreciation expense	(18,173)	(18,138)
Carrying amount at end	438,406	456,579
Total written down amount	620,549	650,037

Notes to the financial statements continued

	2009 \$	2008 \$
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Note 9. Intangible assets

Franchise fee

At cost	285,936	262,968
Less: accumulated amortisation	(249,043)	(239,826)
	36,893	23,142

Renewal process fee

At cost	229,700	114,850
Less: accumulated amortisation	(45,216)	(1,762)
	184,484	113,088

Total written down amount	221,377	136,230
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Note 10. Deferred tax

Deferred tax asset

• Opening balance	431,554	501,703
Future income tax benefits attributable to losses	-	-
Recoupment of prior year tax losses	(198,157)	(32,268)
Deferred tax on provisions	35,629	(37,880)
Rounding	-	(1)
• Closing balance	269,026	431,554

Note 11. Trade and other payables

Trade creditors	40,520	13,998
Other creditors & accruals	3,300	12,155
	43,820	26,153

Note 12. Provisions

Current

Employee provisions	4,208	1,642
Number of employees at year end	1	1

Notes to the financial statements continued

	2009 \$	2008 \$
Note 13. Contributed equity		
3,200,000 Ordinary shares fully paid of \$1 each (2008: 3,200,000)	3,092,000	3,092,000
Less: equity raising expenses	(49,789)	(49,789)
	3,042,211	3,042,211

Rights attached to shares

(a) Voting rights

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

On a show of hands or a poll, each shareholder 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 shareholder and has also been appointed as proxy for another shareholder) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a shareholder and one vote for each other shareholder that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each shareholder 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 shareholders of the community who have contributed to the establishment and ongoing operation of the **Community Bank®** branch have the same ability to influence the operation of the Company.

(b) Dividends

Generally, dividends are payable to shareholders 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 Ltd 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.

Notes to the financial statements continued

Note 13. Contributed equity (continued)

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 1,129. As at the date of this report, the Company had 1,187 shareholders.

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 shareholder has a prohibited shareholding interest, it must serve a notice requiring the shareholder (or the shareholder’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, shareholders acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual shareholders, but that such a result may be necessary to enforce the prohibition.

Notes to the financial statements continued

	2009 \$	2008 \$
Note 14. Accumulated losses		
Balance at the beginning of the financial year	(1,312,913)	(1,440,408)
Net profit from ordinary activities after income tax	336,778	127,495
Dividends paid	(224,000)	-
Balance at the end of the financial year	(1,200,135)	(1,312,913)

Note 15. Statement of cash flows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities

Profit from ordinary activities after income tax	336,778	127,495
Non cash items:		
- depreciation	46,831	44,983
- amortisation	52,670	49,051
Changes in assets and liabilities:		
- (increase)/decrease in receivables	90,020	(160,678)
- (increase)/decrease in other assets	(88,378)	70,149
- increase/(decrease) in payables	17,706	(10,838)
- increase/(decrease) in provisions	2,566	(1,268)
Net cash flows provided by operating activities	458,193	118,894

Note 16. Auditors' remuneration

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

- audit & review services	4,500	4,000
- non audit services	2,523	3,204
	7,023	7,204

Notes to the financial statements continued

Note 17. Director and related party disclosures

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

Colin Albert Nelson

Darren John Cahill

Sherolyn Lesley Heath

John Joseph McLaughlin

Russell Peter Jenkins

Mark Anthony Lally

Jason Paul Luckhardt (Appointed 24 November 2008)

Leonie Therese Deaves (Appointed 25 May 2009)

Stephen John Simpson (Resigned 28 April 2009)

Alan Leslie Gough (Resigned 26 August 2008)

During the year Logan Community Financial Services Limited received \$10,457.97 (2008: \$11,696.73) from Aussie Outdoor Imports and Exports for rent. Director Colin Nelson is the owner of Aussie Outdoor Imports and Exports. Aussie Outdoor Imports and Exports supplied \$909.00 worth of goods to be used as shareholder competition prizes.

Sherry Heath is a partner in Jamtoast which provided design services to the Company. The expense to the Company for these services were \$1,908.98.

During the year Logan Community Financial Services Limited paid \$5,222.35 (2008: \$1,629.90) to McLaughlin & Associates Lawyers. McLaughlin & Associates Lawyers are used as professional legal advisors for the entity when and where required and is a Company owned by Director - John McLaughlin.

Logan Community Financial Services Limited has entered into a lease agreement with Lawgold Pty Ltd for the use of 11 Vanessa Boulevard, Springwood. The entity is a Company owned by Director - John McLaughlin. The payments for rent and associated outgoings totalled \$35,215.82 (2008: \$44,674.69).

Darren Cahill, Director is employed by Bendigo and Adelaide Bank Ltd and was previously seconded to Logan Community Financial Services Limited as Area Manager until 22 May 2008. Darren receives nil remuneration or benefits as a Director.

Notes to the financial statements continued

Note 17. Director and related party disclosures (continued)

Directors' shareholdings	2009	2008
Colin Albert Nelson	32,001	32,001
Darren John Cahill	-	-
Sherolyn Lesley Heath	1,000	1,000
John Joseph McLaughlin	7,501	7,501
Russell Peter Jenkins	-	-
Mark Anthony Lally	-	-
Jason Paul Luckhardt (Appointed 24 November 2008)	-	-
Leonie Therese Deaves (Appointed 25 May 2009)	-	-
Stephen John Simpson (Resigned 28 April 2009)	-	-
Alan Leslie Gough (Resigned 26 August 2008)	43,001	45,001

Each share held is valued at \$1.

	2009	2008
	\$	\$

Note 18. Dividends paid or provided

a. Dividends paid during the year

Prior year proposed final		
Unfranked dividend - 7 cents (2008: Nil cents) per share	224,000	-

b. Dividends proposed and not recognised as a liability

Unfranked dividend - Nil cents (2008: 7 cents) per share	-	224,000
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Note 19. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company
used in calculating earnings per share

	336,778	127,495
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	2009	2008
	Number	Number

(b) Weighted average number of ordinary shares used as the
denominator in calculating basic earnings per share

	3,200,000	3,200,000
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Notes to the financial statements continued

Note 20. 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 21. Contingent liabilities

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

Note 22. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services pursuant to a franchise agreement with Bendigo and Adelaide Bank Ltd. The economic entity operates in one geographic area being Logan, Queensland.

Note 23. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
61 Bull Street, Bendigo VIC 3550	11 Vanessa Boulevard, Springwood QLD 4127

Note 24. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The Company does not have any unrecognised financial instruments at the year end.

Credit risk

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

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

Notes to the financial statements continued

Note 24. Financial instruments (continued)

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					
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 %	2008 %
Financial assets												
Cash assets	610,755	393,904	-	-	-	-	-	-	-	-	4.03	3.55
Receivables	-	-	-	-	-	-	-	-	168,397	145,329	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	43,820	26,114	N/A	N/A

Directors' declaration

In accordance with a resolution of the Directors of Logan 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 2009 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

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

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



Colin Albert Nelson
Chairman



Ian Pynor
Company Secretary

Signed on 27 August 2009.

Independent audit report



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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 Logan Community Financial Services Limited

We have audited the accompanying financial statements of Logan Community Financial Services Limited, which comprise the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, 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 designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state in accordance with the Accounting Standard AASB 101 Presentation of Financial Statements 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 our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Independent audit report continued

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the 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 Logan Community Financial Services Limited is in accordance with the Corporations Act 2001 including
 - (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its financial performance and its cash flows for the year then ended and;
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and;
- 2) The financial statements and notes also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Logan Community Financial Services Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.



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

Dated this 27 day of August 2009

BSX report

Additional information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. This information is current as at 18 September 2009.

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

Range of shares held	Total holders	Units
1 – 1,000	767	530,573
1,001 – 5,000	336	975,137
5,001 – 10,000	54	483,000
10,001 – 100,000	31	847,667
100,001 and over	2	350,000
Total shareholders	1,190	

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

There are no substantial shareholders (holding more than 5% 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 3 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
Bendigo and Adelaide Bank Ltd	247,500	7.73
Central Plumbing Supplies Pty Ltd	102,500	3.20
Mr Peter McErlane	70,000	2.19
Astonlee Pty Ltd	50,000	1.56
Wishful Superannuation Pty Ltd	50,000	1.56
Winpar Holding Ltd	47,900	1.47
Week Construction Pty Ltd	45,215	1.42
Mr Richard & Mrs Haydee Campbell	45,000	1.41
Global Effect Pty Ltd	43,001	1.41
Warren Dicker	41,060	1.29

BSX report continued

Registered office and principal administrative office

The registered office of the Company is located at:

AFS & Associates

61-65 Bull Street.

Bendigo VIC 3550

Phone: (03) 6443 0344

The principal administrative office of the Company is located at

11 Vanessa Boulevard,

Springwood QLD 4127

Phone: (07) 3808 1011

Security register

The security register (share register) is kept at:

ShareData Pty Ltd

52 Angove Park Drive,

Tea Tree Gully SA 5091

Other information

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

There are no material difference between the information in the Company's Annexure 3A and the information in the financial documents in this annual report.

Browns Plains

Westpoint Shopping Centre, Browns Plains Road, Browns Plains, QLD 4118

Phone: (07) 3806 9777 Fax: (07) 3806 9500

Loganholme

Logan Hyperdome, Bryants Road, Loganholme, QLD 4129

Phone: (07) 3801 3600 Fax: (07) 3801 4997

Marsden

Shop 21, Marsden Park Shopping Centre, 55-77 Chambers Flat Road, Marsden, QLD 4132

Phone: (07) 3299 7740 Fax: (07) 3299 7870

Springwood

Shop 40/41 Centro Springwood, 34 Fitzgerald Avenue, Springwood, QLD 4127

Phone: (07) 3208 2611 Fax: (07) 3208 3611

Franchisee: Logan Community Financial Services Limited

11 Vanessa Boulevard, Springwood, QLD 4217

Phone: 1300 366 636 Fax: (07) 3808 1392

ABN 88 101 148 430