



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References

Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

Logan Community Financial Services Limited

Name of entity

88 101 148 430

ABN, ACN or ARBN

Half yearly (tick)

Annual (tick)

☐
☒

30 June 2011

Financial year ended
(‘Current period’)

Summary

				\$A,000
Sales revenue or operating revenue	Up	13%	to	3,956
Profit before abnormal items and after tax	Up	133%	to	279
Abnormal items before tax		gain/(loss) of		-
Profit after tax but before outside equity interests	Up	133%	to	279
Extraordinary items after tax attributable to members		gain/(loss) of		-
Profit for the period attributable to members	Up	133%	to	279

Dividends (distributions)

Franking rate applicable

-

Current period

Final

8¢

Interim

-¢

Previous corresponding period

Final

-¢

Interim

-¢

Record date for determining entitlements to the dividend, (in the case of a trust distribution)

N/A

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Half Yearly/Yearly Disclosure

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

No issues.

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	3,956	3,495
Expenses from ordinary activities	(3,532)	(3,304)
Borrowing costs	-	-
Share of net profit/(loss) of associates and joint venture entities	-	-
Profit from ordinary activities before tax	424	191
Income tax on ordinary activities	(145)	(71)
Profit from ordinary activities after tax	279	120
Outside equity interests	-	-
Profit from ordinary activities after tax attributable to members	279	120
Profit from extraordinary activities after tax attributable to members	-	-
Profit for the period attributable to members	279	120
Accumulated losses at the beginning of the financial period	(1,081)	(1,200)
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	(256)	-
Accumulated losses at end of financial period	(1,058)	(1,081)

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Half Yearly/Yearly Disclosure

Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
Profit from ordinary activities after tax before outside equity interests and amortisation of goodwill	279	120
Less (plus) outside equity interests	-	-
Profit from ordinary activities after tax (before amortisation of goodwill) attributable to members	279	120

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Commission Revenue	3,899	3,462
Bank Interest Income	38	20
Other Revenue	19	13

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	-	-	-
Amortisation of other intangibles	61	-	61
Total amortisation of intangibles	61	-	61
Extraordinary items (details)	-	-	-
Total extraordinary items	-	-	-

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Half Yearly/Yearly Disclosure

Comparison of half year profits
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit from ordinary activities after tax attributable to members reported for the 1st half year	87	10
Consolidated profit from ordinary activities after tax attributable to members for the 2nd half year	192	110

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	1,027	725	598
Receivable	92	161	117
Investments	-	-	-
Inventories	-	-	-
Other (provide details if material)	-	-	-
Total current assets	1,119	886	715
Non-current assets			
Receivables	-	-	-
Investments	-	-	-
Other property, plant and equipment (net)	757	738	815
Intangibles (net)	123	185	153
Other (Deferred Tax Asset)	53	198	146
Total non-current assets	933	1,121	1,114
Total assets	2,052	2,007	1,829
Current liabilities			
Accounts payable	58	37	28
Borrowings	-	-	-
Provisions	6	5	5
Other (provide details if material)	-	-	-
Total current liabilities	64	43	33

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Half Yearly/Yearly Disclosure

Non-current liabilities			
Accounts payable	-	-	-
Borrowings	-	-	-
Provisions	4	2	2
Other (provide details if material)	-	-	-
Total non-current liabilities	4	2	2
Total liabilities	68	45	35
Net assets	1,984	1,962	1,794
Equity			
Capital	3,042	3,042	3042
Reserves	-	-	-
Accumulated losses	(1,058)	(1,081)	(1,248)
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
Total equity	1,984	1,962	1,794
Preference capital and related premium included	-	-	-

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	4,002	3,494
Payments to suppliers and employees	(3,363)	(3,183)
Dividends received	-	-
Interest and other items of similar nature received	37	16
Interest and other costs of finance paid	-	-
Income taxes paid	-	-
Other (provide details if material)	-	-
Net operating cash flows	676	327

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Half Yearly/Yearly Disclosure

Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(118)	(194)
Proceeds from sale of property, plant and equipment	-	-
Payment for purchases of equity investments	-	-
Proceeds from sale of equity investments	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	(20)
Net investing cash flows	(118)	(214)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	(256)	-
Other (provide details if material)	-	-
Net financing cash flows	(256)	-
Net increase in cash held	302	611
Cash at beginning of period (see Reconciliation of cash)	725	114
Exchange rate adjustments	-	-
Cash at end of period (see Reconciliation of cash)	1,027	725

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

Nil.

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Half Yearly/Yearly Disclosure

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	708	425
Deposits at call	319	300
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	1,027	725

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated Profit from ordinary activities before tax as a percentage of sales revenue	11%	5%
Profit after tax/equity interests		
Consolidated Profit from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	14%	6%

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	8.7c	3.74c
(b) Diluted EPS (if materially different from (a))	-	-

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	56c	49c

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Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	37	20
Interest revenue included but not yet received (if material)	8	7
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
Depreciation (excluding amortisation of intangibles)	(99)	(68)
Other specific relevant items	-	-

Control gained over entities having material effect

Name of entity	N/A
Consolidated profit/(loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$-
Date from which such profit has been calculated	-
Profit/(Loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$-

Loss of control of entities having material effect

Name of entity	N/A
Consolidated profit/(loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	\$-
Date from which the profit/(loss) has been calculated	-
Consolidated profit/(loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	\$-
Contribution to consolidated profit/(loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$-

Reports for industry and geographical segments

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets)	<i>Comparative data for segment assets should be as at the</i>
Unallocated assets)	<i>end of the previous corresponding period</i>
Total assets)	

Dividends

Date the dividend is payable

Record date to determine entitlements to the dividend (ie. on the basis of registerable transfers received up to 5.00 pm)

Amount per security

		Franking rate applicable	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	8¢	-%	-¢	N/A
	Previous year	¢	N/A	-¢	¢
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	-¢	N/A	-¢	N/A
	Previous year	-¢	-¢	-¢	-¢

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Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	8¢	-¢
Preference securities	-¢	-¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$256	\$-
Preference securities	\$-	\$-
Total	\$256	\$-

Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$-	\$-
Preference securities	\$-	\$-
Total	\$-	\$-

The dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices to the dividend or distribution plans

Any other disclosures in relation to dividends (distributions)

N/A

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Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit/(Loss) from ordinary activities before tax.	-	-
Income tax	-	-
Profit/(Loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit/(loss)	-	-
Outside equity interests	-	-
Net profit/(loss) attributable to members	-	-

Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period A\$'000	Previous corresponding period A\$'000
	-	-	-	-
	-	-	-	-
Total	-	-	-	-
Other material interests	-	-	-	-
	-	-	-	-
Total	-	-	-	-

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Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities <i>(description)</i>	-	-	-	-
Changes during current period	-	-	-	-
Ordinary securities	3,200,000	3,200,000	100	100
Changes during current period	-	-	-	-
Convertible debt securities <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
			Exercise price	Expiry date
Options <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
Exercised during current period	-	-	-	-
Expired during current period	-	-	-	-
Debentures	-	-		
Unsecured Notes	-	-		

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Half Yearly/Yearly Disclosure

Discontinuing Operations

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Expenses from ordinary activities	-	-	-	-	-	-
Profit/(loss) before tax	-	-	-	-	-	-
Less tax	-	-	-	-	-	-
Profit/(loss) from ordinary activities after tax	-	-	-	-	-	-

Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows	-	-	-	-	-	-
Net investing cash flows	-	-	-	-	-	-
Net financing cash flows	-	-	-	-	-	-

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Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:	-	-
- total assets	-	-
- total liabilities	-	-
Profit/(Loss) on disposal of assets or settlement of liabilities	-	-
Related tax		
Net profit/(loss) on discontinuance	-	-

Description of disposals

Nil disposals.

Comments by *Directors*

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

The company continues to trade in line with expectations and the entity has no material factors that have effected the revenues and expenses to report for the current period.

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A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Nil to report.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Nil.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

N/A

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

N/A

Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

N/A

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

N/A

Annual meeting (*Annual statement only*)

The annual meeting will be held as follows:

Place

Tall Trees
3745 Pacific Hwy. Slacks Creek

Date

7 November 2011

Time

5:30pm

Approximate date the annual report will be available

10 October 2011

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Half Yearly/Yearly Disclosure

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are/are not* (*delete one*) followed as compared with the most recent annual accounts.
- 4 This statement does give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:
(*Tick one*)
 - ☒ The financial statements have been audited.
 - ~~The financial statements have been subject to review by a registered auditor (or overseas equivalent).~~
 - ~~The financial statements are in the process of being audited or subject to review.~~
 - ~~The financial statements have not yet been audited or reviewed.~~
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached.
- 7 The entity has a formally constituted audit committee.

Sign here:

(Director/Company secretary)

Date: 9 September 2011

Print name:

CRAIG JOHN PANTAKIS

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

Additional information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.

Logan Community Financial Services Limited

Financial Statements

as at

30 June 2011

Logan Community Financial Services Limited
ABN 88 101 148 430
Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2011.

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: 64
Company Director
Diploma Marketing & Business Practice. Business owner for over 20 years.
Interests in shares: 32,001

John Joseph McLaughlin

Director
Age: 49
Solicitor
LLB, Solicitor in Logan area for over 22 years, specialising in commercial, retail, leasing, conveyance and franchising.
Vice Chairman, Chairman - Governance & Audit committee member.
Interests in shares: 7,501

Jason Paul Luckhardt

Director
Age: 41
Property Sales & Development
Studying towards a Diploma of Business (Marketing), Past Rotarian and former mayoral candidate.
Interests in shares: Nil

Leonie Therese Deaves

Director/Treasurer
Age: 41
Property Manager
Certificate 11 Accounting, Certificate 111 Business Administration, Real Estate Licence, 12 years of property management experience.
Interests in shares: Nil

Melissa Michelle Hockey

Director (*Appointed 25 July 2011*)
Age: 25
Public Servant
Bachelor of Arts in Politics & Government. Certificate IV in Project Management.
Interest in shares: Nil

Craig John Panagiris

Director/Secretary
Age: 47
Program Manager
Fellow of the Institute of Chartered Accounts, Graduate member of the Australian Institute of Company Directors. Past experience as a Chartered Accountant in the insurance, postal and electricity sectors. Previous board experience with Queensland Motorways Limited and Rivermount Education Limited.
Interests in shares: Nil

Russell Peter Jenkins

Director
Age: 49
Executive Customer & Community Bendigo and Adelaide Bank Limited

A qualified Chemical Engineer, headed the **Community Bank®** concept since its inception in 1998.
Interests in shares: Nil

Mark Anthony Lally

Director (*Alternate Director for Russell Peter Jenkins*)
Age: 44
Bank Executive, Bendigo & Adelaide Bank Limited
Over 25 years banking experience in senior positions with Australian and European banking institutions.
Interests in shares: Nil

Michael James Wardlaw

Director (*Appointed 27 June 2011*)
Age: 37
Real Estate Agent
Fully licensed Real Estate Certificate for residential property for the past 16 years
Interest in shares: 1,000

Brett Blair Raguse

Director (*Appointed 9 November 2010, Resigned 11 July 2011*)

Sherolyn Lesley Heath

Director (*Resigned 31 January 2011*)

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

Company Secretary

The company secretary is Craig Panagiris. Craig was appointed to the position of company secretary on 1 April 2010. Craig has past experience as a Chartered Accountant in the insurance, postal and electricity sectors. Previous board experience with Queensland Motorways Limited and Rivermount Education Limited.

Logan Community Financial Services Limited
ABN 88 101 148 430
Directors' Report

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 franchised branches of Bendigo and Adelaide Bank Limited.

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

Operating Results

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

Year ended 30 June 2011	Year ended 30 June 2010
\$	\$
278,508	119,586

Remuneration Report

(a) Directors Fees

At an extraordinary general meeting held on the 5th of May 2009 the shareholders agreed for the board to be authorised to pay by way of remuneration to directors an amount not exceeding the sum of \$45,000 in aggregate per annum. Distribution amongst the directors would be at the discretion of the board. The board resolved that the following annual amounts would be paid:

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

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

	\$	\$
Board Meeting	200	200
Committee Meeting	50	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 Limited directors, the total payable in one year on the basis outlined above would be \$38,000. Payments to the directors are made twice yearly, in arrears.

	Year ended 30 June 2011	Year ended 30 June 2010
	\$	\$
Colin Albert Nelson	8,536	8,800
John Joseph McLaughlin	3,700	4,000
Jason Paul Luckhardt	3,200	3,300
Leonie Therese Deaves	3,350	3,200
Craig John Panagiris	6,400	2,450
Brett Blair Raguse	1,722	-
Sherolyn Lesley Heath	1,350	3,200
Total Payment	<u>28,258</u>	<u>24,950</u>

(b) Remuneration of Executives

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

Logan Community Financial Services Limited
ABN 88 101 148 430
Directors' Report

	Year Ended 30 June 2011	
	Cents	\$
Dividends		
Dividends paid in the year:		
Unfranked dividend declared and paid during the period:	8	256,000

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

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

Likely Developments

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

Environmental Regulation

The company is not subject to any significant environmental regulation.

Directors' Benefits

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

Indemnification and Insurance of Directors and Officers

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

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

Directors Meetings

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

	Board Meetings		Committee Meetings Attended					
	Attended		GAH		Marketing		Major Projects	
	<i>Eligible</i>	<i>Attended</i>	<i>Eligible</i>	<i>Attended</i>	<i>Eligible</i>	<i>Attended</i>	<i>Eligible</i>	<i>Attended</i>
Colin Albert Nelson	11	10	10	8	11	6	8	5
Craig John Panagiris	11	10	10	10	-	-	4	4
John Joseph McLaughlin	11	8	10	10	-	-	-	-
Jason Paul Luckhardt	11	8	5	3	6	6	8	8
Russell Peter Jenkins	11	3	-	-	-	-	-	-
Leonie Therese Deaves	11	9	4	4	-	-	8	8
Mark Anthony Lally <i>(Russell Juenkins Alternate)</i>	11	9	-	-	-	-	-	-
Michael James Wardlaw <i>(Appointed 27 June 2011)</i>	1	1	-	-	-	-	-	-
Melissa Michelle Hockey <i>(Appointed 25 July 2011)</i>	-	-	-	-	-	-	-	-
Sherolyn Lesley Heath <i>(Resigned 31 January 2011)</i>	5	3	-	-	6	3	6	4
Brett Blair Raguse <i>(Appointed 9 November 2010, Resigned 11 July 2011)</i>	6	5	-	-	7	5	-	-

Logan Community Financial Services Limited
ABN 88 101 148 430
Directors' Report

Non Audit Services

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

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

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

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

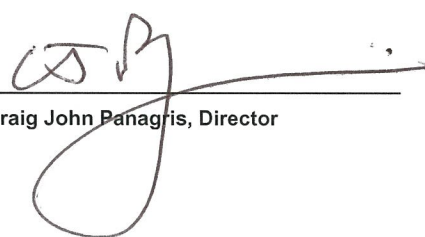
Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the board of directors at Logan, Queensland on 9th September 2011.



Colin Albert Nelson, Chairman

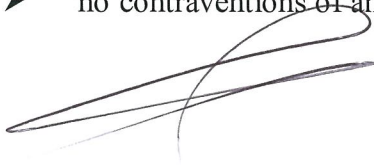


Craig John Panagris, Director

**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 2011 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
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

9th September 2011

Logan Community Financial Services Limited
ABN 88 101 148 430
Statement of Comprehensive Income
for the Year Ended 30 June 2011

	<u>Notes</u>	2011 \$	2010 \$
Revenues from ordinary activities	4	3,956,274	3,495,287
Employee benefits expense		(2,026,933)	(1,781,257)
Charitable donations, sponsorship, advertising and promotion		(181,996)	(120,636)
Occupancy and associated costs		(542,811)	(558,135)
Systems costs		(138,723)	(140,569)
Depreciation and amortisation expense	5	(160,393)	(125,224)
Finance costs	5	(11)	(7)
General administration expenses		(482,196)	(578,545)
Profit before income tax expense		423,211	190,914
Income tax expense	6	(144,703)	(71,328)
Profit after income tax expense		278,508	119,586
Total comprehensive income for the year		278,508	119,586
Earnings per share (cents per share)		<u>c</u>	<u>c</u>
- basic for profit for the year	22	8.70	3.74

The accompanying notes form part of these financial statements

Logan Community Financial Services Limited
ABN 88 101 148 430
Balance Sheet
as at 30 June 2011

	<u>Notes</u>	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,027,061	724,519
Trade and other receivables	8	91,832	161,478
Total Current Assets		<u>1,118,893</u>	<u>885,997</u>
Non-Current Assets			
Property, plant and equipment	9	756,778	738,495
Intangible assets	10	123,445	184,572
Deferred tax assets	11	52,995	197,698
Total Non-Current Assets		<u>933,218</u>	<u>1,120,765</u>
Total Assets		<u>2,052,111</u>	<u>2,006,762</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	12	58,292	37,494
Provisions	13	6,093	5,419
Total Current Liabilities		<u>64,385</u>	<u>42,913</u>
Non-Current Liabilities			
Provisions	13	3,556	2,187
Total Non-Current Liabilities		<u>3,556</u>	<u>2,187</u>
Total Liabilities		<u>67,941</u>	<u>45,100</u>
Net Assets		<u>1,984,170</u>	<u>1,961,662</u>
Equity			
Issued capital	14	3,042,211	3,042,211
Accumulated losses	15	(1,058,041)	(1,080,549)
Total Equity		<u>1,984,170</u>	<u>1,961,662</u>

The accompanying notes form part of these financial statements

Logan Community Financial Services Limited
ABN 88 101 148 430
Statement of Changes in Equity
for the Year Ended 30 June 2011

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2009	<u>3,042,211</u>	<u>(1,200,135)</u>	<u>1,842,076</u>
Total comprehensive income for the year	<u>-</u>	<u>119,586</u>	<u>119,586</u>
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 30 June 2010	<u><u>3,042,211</u></u>	<u><u>(1,080,549)</u></u>	<u><u>1,961,662</u></u>
Balance at 1 July 2010	<u>3,042,211</u>	<u>(1,080,549)</u>	<u>1,961,662</u>
Total comprehensive income for the year	<u>-</u>	<u>278,508</u>	<u>278,508</u>
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(256,000)	(256,000)
Balance at 30 June 2011	<u><u>3,042,211</u></u>	<u><u>(1,058,041)</u></u>	<u><u>1,984,170</u></u>

The accompanying notes form part of these financial statements

Logan Community Financial Services Limited
ABN 88 101 148 430
Statement of Cashflows
for the Year Ended 30 June 2011

	<u>Notes</u>	2011 \$	2010 \$
Cash Flows From Operating Activities			
Receipts from customers		4,002,400	3,494,283
Payments to suppliers and employees		(3,363,533)	(3,182,785)
Interest received		37,235	15,881
Interest paid		(11)	(7)
Net cash provided by operating activities	16	676,091	327,372
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(117,549)	(193,608)
Payments for intangible assets		-	(20,000)
Net cash used in investing activities		(117,549)	(213,608)
Cash Flows From Financing Activities			
Dividends paid		(256,000)	-
Net cash used in financing activities		(256,000)	-
Net increase in cash held		302,542	113,764
Cash and cash equivalents at the beginning of the financial year		724,519	610,755
Cash and cash equivalents at the end of the financial year	7(a)	1,027,061	724,519

The accompanying notes form part of these financial statements

Logan Community Financial Services Limited
ABN 88 101 148 430
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 1. Summary of Significant Accounting Policies

a) Basis of Preparation

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

Compliance with IFRS

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

Critical accounting estimates

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

Financial statement presentation

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

Historical cost convention

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

Comparative figures

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

Adoption of new and revised Accounting Standards

During the current year the entity has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the company.

AASB 101 Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

Logan Community Financial Services Limited
ABN 88 101 148 430
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

The company's financial statements contain a single statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods, as follows:

- *AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*
- *AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has determined these amendments will have no impact on the preparation of the financial statements and therefore they have not been applied.

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank®** branches at Loganholme, Browns Plains, Marsden, Springwood and Beenleigh Sub-branch, Queensland.

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

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

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

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

Logan Community Financial Services Limited
ABN 88 101 148 430
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

b) Revenue

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

Revenue calculation

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to a percentage of the monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as "day to day" banking business (ie 'margin business'). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, an equivalent percentage of that loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (ie 'commission business'). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example in February 2011 Bendigo and Adelaide Bank Limited reduced commissions on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its **Community Bank®** partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank Limited and **Community Bank®** companies remain balanced.

The third source of revenue is a proportion of the fees and charges (ie, what are commonly referred to as 'bank fees and charges') charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

c) Income Tax

Current tax

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

Deferred tax

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

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

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

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

Logan Community Financial Services Limited
ABN 88 101 148 430
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (*continued*)

c) Income Tax (*continued*)

Current and deferred tax for the period

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

d) Employee Entitlements

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

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

e) Cash and Cash Equivalents

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

f) Trade Receivables and Payables

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

g) Property, Plant and Equipment

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

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

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

- leasehold improvements	40 years
- plant and equipment	2.5 - 40 years
- furniture and fittings	4 - 40 years
- motor vehicles	4 - 15 years

h) Intangibles

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

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

Note 1. Summary of Significant Accounting Policies (*continued*)

i) Payment Terms

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

j) Borrowings

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

k) Financial Instruments

Recognition and initial measurement

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

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

Derecognition

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

Classification and subsequent measurement

(i) Loans and receivables

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

(ii) Held-to-maturity investments

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

(iii) Financial liabilities

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

Impairment

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

l) Leases

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

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

m) Provisions

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

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

Logan Community Financial Services Limited
ABN 88 101 148 430
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (*continued*)

n) Contributed Equity

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

o) Earnings Per Share

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

p) Goods and Services Tax

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

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

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

Note 2. Financial Risk Management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

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

(v) Cash flow and fair value interest rate risk

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

Logan Community Financial Services Limited
ABN 88 101 148 430
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 2. Financial Risk Management (continued)

(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 2011 can be seen in the statement of comprehensive income.

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

Note 3. Critical Accounting Estimates and Judgements

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

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

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

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

Taxation

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

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

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

Estimation of useful lives of assets

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

Goodwill

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

The calculations require the use of assumptions.

Logan Community Financial Services Limited
ABN 88 101 148 430
Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 3. Critical Accounting Estimates and Judgements (continued)

Impairment of assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

	2011 \$	2010 \$
Note 4. Revenue from Ordinary Activities		
Operating activities:		
- services commissions	3,899,553	3,461,517
- other revenue	18,866	13,420
Total revenue from operating activities	<u>3,918,419</u>	<u>3,474,937</u>
Non-operating activities:		
- interest received	37,855	20,350
Total revenue from non-operating activities	<u>37,855</u>	<u>20,350</u>
Total revenues from ordinary activities	<u>3,956,274</u>	<u>3,495,287</u>

Note 5. Expenses

Depreciation of non-current assets:		
- plant and equipment	30,728	40,277
- leasehold improvements	53,400	25,082
- motor vehicles	15,139	3,060
Amortisation of non-current assets:		
- franchise agreement	9,187	9,187
- franchise renewal fee	44,272	47,618
- sub-branch fee	7,667	-
	<u>160,393</u>	<u>125,224</u>
Finance costs:		
- interest paid	<u>11</u>	<u>7</u>
Bad debts	<u>31,654</u>	<u>38,777</u>
Loss on disposal of assets	<u>-</u>	<u>7,243</u>

Logan Community Financial Services Limited
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Notes to the Financial Statements
for the Year Ended 30 June 2011

	2011 \$	2010 \$
Note 6. Income Tax Expense		
The components of tax expense comprise:		
- Movement in deferred tax	(8,637)	(2,324)
- Recoup of prior year tax loss	153,340	73,652
	<u>144,703</u>	<u>71,328</u>
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Operating profit	423,211	190,914
Prima facie tax on profit from ordinary activities at 30%	126,965	57,273
Add tax effect of:		
- non-deductible expenses	17,738	17,042
- timing difference expenses	8,637	2,324
- other deductible expenses	-	(2,987)
	<u>153,340</u>	<u>73,652</u>
Movement in deferred tax	11 (8,637)	(2,324)
	<u>144,703</u>	<u>71,328</u>
Note 7. Cash and Cash Equivalents		
Cash at bank and on hand	708,461	424,519
Term deposits	318,600	300,000
	<u>1,027,061</u>	<u>724,519</u>
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:		
Note 7.(a) Reconciliation of cash		
Cash at bank and on hand	708,461	424,519
Term deposits	318,600	300,000
	<u>1,027,061</u>	<u>724,519</u>
Note 8. Trade and Other Receivables		
Trade receivables	78,846	142,096
Other receivables and accruals	7,986	8,066
Prepayments	5,000	11,316
	<u>91,832</u>	<u>161,478</u>

Logan Community Financial Services Limited
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Notes to the Financial Statements
for the Year Ended 30 June 2011

	2011 \$	2010 \$
Note 9. Property, Plant and Equipment		
<u>Plant and equipment</u>		
At cost	399,274	390,370
Less accumulated depreciation	(196,790)	(165,987)
	<u>202,484</u>	<u>224,383</u>
<u>Leasehold improvements</u>		
At cost	588,538	588,537
Less accumulated depreciation	(168,238)	(114,912)
	<u>420,300</u>	<u>473,625</u>
<u>Motor vehicles</u>		
At cost	152,193	43,547
Less accumulated depreciation	(18,199)	(3,060)
	<u>133,994</u>	<u>40,487</u>
Total written down amount	<u>756,778</u>	<u>738,495</u>
Movements in carrying amounts:		
<u>Plant and equipment</u>		
Carrying amount at beginning	224,383	182,143
Additions	8,904	89,760
Disposals	-	(7,243)
Less: depreciation expense	(30,803)	(40,277)
Carrying amount at end	<u>202,484</u>	<u>224,383</u>
<u>Leasehold improvements</u>		
Carrying amount at beginning	473,625	438,406
Additions	-	60,301
Less: depreciation expense	(53,325)	(25,082)
Carrying amount at end	<u>420,300</u>	<u>473,625</u>
<u>Motor vehicles</u>		
Carrying amount at beginning	40,487	-
Additions	108,646	43,547
Less: depreciation expense	(15,139)	(3,060)
Carrying amount at end	<u>133,994</u>	<u>40,487</u>
Total written down amount	<u>756,778</u>	<u>738,495</u>
Note 10. Intangible Assets		
<u>Franchise fee</u>		
At cost	285,936	285,936
Less: accumulated amortisation	(267,417)	(258,230)
	<u>18,519</u>	<u>27,706</u>
<u>Renewal processing fee</u>		
At cost	229,700	249,700
Less: accumulated amortisation	(137,097)	(92,834)
	<u>92,603</u>	<u>156,866</u>
<u>Sub-branch fee</u>		
At cost	20,000	-
Less: accumulated amortisation	(7,677)	-
	<u>12,323</u>	<u>-</u>
Total written down amount	<u>123,445</u>	<u>184,572</u>

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Notes to the Financial Statements
for the Year Ended 30 June 2011

	2011 \$	2010 \$
Note 11. Tax		
<u>Deferred tax assets</u>		
- employee provisions	2,894	2,284
- tax losses carried forward	44,287	197,624
- fixed assets	8,210	-
	<u>55,391</u>	<u>199,908</u>
 <u>Deferred tax liability</u>		
- accruals	2,396	2,210
- deductible prepayments	-	-
	<u>2,396</u>	<u>2,210</u>
Net deferred tax asset	<u>52,995</u>	<u>197,698</u>
Movement in deferred tax charged to statement of comprehensive income	<u>(8,637)</u>	<u>(71,328)</u>
 Note 12. Trade and Other Payables		
Trade creditors	52,194	25,843
Other creditors and accruals	6,098	11,651
	<u>58,292</u>	<u>37,494</u>
 Note 13. Provisions		
Current:		
Provision for annual leave	<u>6,093</u>	<u>5,419</u>
 Non-Current:		
Provision for long service leave	<u>3,556</u>	<u>2,187</u>
Number of employees at year end	<u>2</u>	<u>2</u>

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Note 14. Contributed Equity	2011	2010
	\$	\$
3,200,000 Ordinary shares fully paid (2010: 3,200,000)	3,092,000	3,092,000
Less: equity raising expenses	(49,789)	(49,789)
	<u>3,042,211</u>	<u>3,042,211</u>

Rights attached to shares

(a) *Voting rights*

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

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

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

(b) *Dividends*

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

(c) *Transfer*

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 1,229. As at the date of this report, the company had 1,172 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 member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

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

Logan Community Financial Services Limited
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Notes to the Financial Statements
for the Year Ended 30 June 2011

	2011 \$	2010 \$
Note 15. Accumulated Losses		
Balance at the beginning of the financial year	(1,080,549)	(1,200,135)
Net profit from ordinary activities after income tax	278,508	119,586
Dividends paid or provided for	(256,000)	-
Balance at the end of the financial year	<u>(1,058,041)</u>	<u>(1,080,549)</u>

Note 16. Statement of Cashflows

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

Profit from ordinary activities after income tax	278,508	119,586
Non cash items:		
- depreciation	99,266	68,419
- amortisation	61,127	56,805
- loss on disposal of assets	-	7,243
Changes in assets and liabilities:		
- decrease in receivables	69,646	6,919
- decrease in other assets	144,703	71,328
- increase/(decrease) in payables	20,798	(6,326)
- increase in provisions	2,043	3,398
Net cashflows provided by operating activities	<u>676,091</u>	<u>327,372</u>

Note 17. Leases

Operating lease commitments

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

Payable - minimum lease payments		
- not later than 12 months	431,581	430,869
- between 12 months and 5 years	801,691	981,956
- greater than 5 years	-	-
	<u>1,233,271</u>	<u>1,412,825</u>

The company holds various premises leases for its branches and ATM locations. The leases generally have a five-year term, with rent payable monthly.

Note 18. Auditors' Remuneration

Amounts received or due and receivable by the auditor of the company for:

- audit and review services	5,400	5,500
- non audit services	4,441	4,252
	<u>9,841</u>	<u>9,752</u>

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Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 19. Director and Related Party Disclosures

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

Colin Albert Nelson
 Craig John Panagiris
 John Joseph McLaughlin
 Jason Paul Luckhardt
 Russell Peter Jenkins
 Leonie Therese Deaves
 Mark Anthony Lally (Russell Juenkins Alternate)
 Michael James Wardlaw (*Appointed 27 June 2011*)
 Melissa Michelle Hockey (*Appointed 25 July 2011*)
 Brett Blair Raguse (*Appointed 9 November 2010, Resigned 11 July 2011*)
 Sherolyn Lesley Heath (*Resigned 31 January 2011*)

During the year Logan Community Financial Services Limited received \$16,927.00 (2010: \$14,055.39) from Aussie Outdoor Imports and Exports for rent. Director Colin Nelson is the owner of Aussie Outdoor Imports and Exports.

Sherry Heath is a partner in Jamtoast which provided design services to the company. The expense to the company for these services were \$Nil (2010: \$1,237.50).

During the year Logan Community Financial Services Limited paid \$6,167.00 (2010: \$7,376.10) 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 \$45,153.00 (2010: \$52,147.53).

Directors Shareholdings	2011	2010
Colin Albert Nelson	32,001	32,001
Craig John Panagiris	-	-
John Joseph McLaughlin	7,501	7,501
Jason Paul Luckhardt	-	-
Russell Peter Jenkins	-	-
Leonie Therese Deaves	-	-
Mark Anthony Lally (Russell Juenkins Alternate)	-	-
Michael James Wardlaw (<i>Appointed 27 June 2011</i>)	500	-
Melissa Michelle Hockey (<i>Appointed 25 July 2011</i>)	-	-
Brett Blair Raguse (<i>Appointed 9 November 2010, Resigned 11 July 2011</i>)	1,000	-
Sherolyn Lesley Heath (<i>Resigned 31 January 2011</i>)	1,000	1,000

Note 20. Dividends Paid or Provided

	2011	2010
	\$	\$
a. Dividends paid during the year		
Unfranked dividend - (2010: 8 cents) per share	<u>256,000</u>	<u>-</u>

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Notes to the Financial Statements
for the Year Ended 30 June 2011

Note 21. Key Management Personnel Disclosures

At an extraordinary general meeting held on the 5th of May 2009 the shareholders agreed for the board to be authorised to pay by way of remuneration to directors an amount not exceeding the sum of \$45,000 in aggregate per annum. Distribution amongst the directors would be at the discretion of the board. The board resolved that the following annual amounts would be paid:

	2011 \$	2010 \$
Chairman	5,000	5,000
Deputy Chairman	1,000	1,000
Company Secretary (if also a Director)	3,000	3,000
Treasurer (if also a Director)	1,000	1,000

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

Board Meeting	200	200
Committee Meeting	50	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 Limited directors, the total payable in one year on the basis outlined above would be \$38,000. Payments to the directors are made twice yearly, in arrears.

Colin Albert Nelson	8,536	8,800
John Joseph McLaughlin	3,700	4,000
Jason Paul Luckhardt	3,200	3,300
Leonie Therese Deaves	3,350	3,200
Craig John Panagiris	6,400	2,450
Brett Blair Raguse	1,722	-
Sherolyn Lesley Heath	1,350	3,200
Total Payment	<u>28,258</u>	<u>24,950</u>

Note 22. Earnings Per Share

	2011 \$	2010 \$
(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	278,508	119,586
	<u>Number</u>	<u>Number</u>
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	3,200,000	3,200,000

Note 23. 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 24. Contingent Liabilities

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

Note 25. Segment Reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services in Loganholme, Browns Plains, Marsden, Springwood and Beenleigh, Queensland pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 26. Registered Office/Principal Place of Business

The registered office and principal place of business is:

Registered Office
11 Vanessa Boulevard
Springwood QLD 4127

Principal Place of Business
11 Vanessa Boulevard
Springwood QLD 4127

Logan Community Financial Services Limited
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Notes to the Financial Statements for the Year Ended 30 June 2011

Note 27. Financial Instruments

Net Fair Values

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

Credit Risk

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

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

Interest Rate Risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 %	2010 %
Financial Assets												
Cash and cash equivalents	708,461	424,519	318,600	300,000	-	-	-	-	-	-	4.99	3.65
Receivables	-	-	-	-	-	-	-	-	78,846	142,096	N/A	N/A
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	54,244	25,843	N/A	N/A

Logan Community Financial Services Limited
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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 2011 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 AASB124 Related Party Disclosures and the Corporations Regulations 2001.

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



Colin Albert Nelson, Chairman

Signed on the 9th of September 2011.



Craig John Panagiris, Director

Signed on the 9th of September 2011.

Independent Auditor's Report To The Members Of Logan Community Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Logan Community Financial Services Limited, which comprises the balance sheet as at 30 June 2011, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company's financial position and of its performance.

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. 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:

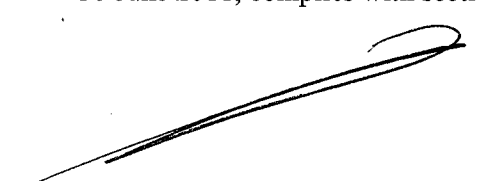
- 1) The financial report of Logan Community Financial Services Limited is in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 30 June 2011 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards and the Corporations Regulations 2001.
- 2) The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2011. 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 2011, complies with section 300A of the Corporations Act 2001.



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

9th September 2011