

Community Financial

Services Victoria Limited

Financial Statements

as at

31 December 2009

Community Financial Services Victoria Limited
ABN 51 092 756 351
Directors' Report

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

Directors

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

Michael John Duff

Maxwell William Papley

Douglas Hugh Hamilton

Tania Lyn Hansen

Maxwell Arthur John Kneebone

John Munro Lyle

Glenister Malcolm McGregor

Ronald James Witney

Gordon Douglas Smale

Principal Activities

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

Review and Results of Operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period was: \$198,353 [2008: \$205,643].

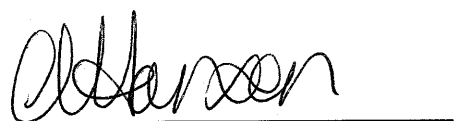
Matters Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Lang Lang, Victoria on 2 March 2010.

A handwritten signature in black ink, appearing to read 'T Hansen', is written over a horizontal line.

Tania Lyn Hansen, Director

Auditor's Independence Declaration

As lead auditor for the review of Community Financial Services Victoria Limited I declare that, to the best of my knowledge and belief, in relation to the review of the half year ended 31 December 2009 there have been:

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



David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 2nd day of March 2010

Community Financial Services Victoria Limited
ABN 51 092 756 351
Income Statement
for the half-year ended 31 December 2009

	2009	2008
	\$	\$
Revenue from ordinary activities	1,523,155	1,343,908
Salaries and employee benefit expense	(764,909)	(575,482)
Occupancy and associated costs	(120,024)	(75,041)
Charitable donations, sponsorship, advertising & promotion	(55,430)	(152,630)
Systems costs	(62,159)	(53,362)
Depreciation and amortisation expense	(56,678)	(24,919)
General administration expenses	(180,818)	(161,506)
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Profit before income tax expense	283,137	300,968
Income tax expense	(84,784)	(95,325)
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Profit for the period	198,353	205,643
	<hr/>	<hr/>
Profit attributable to members of the entity	198,353	205,643
	<hr/> <hr/>	<hr/> <hr/>
Earnings per share	c	c
Earnings per share for the period:	27.08	28.08

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Balance Sheet
as at 31 December 2009

	31-Dec 2009 \$	30-Jun 2009 \$
ASSETS		
Current Assets		
Cash assets	402,358	299,290
Trade and other receivables	252,354	261,013
Total Current Assets	<u>654,712</u>	<u>560,303</u>
Non-Current Assets		
Property, plant and equipment	470,390	483,722
Intangible assets	339,361	355,361
Deferred tax asset	31,421	27,164
Total Non-Current Assets	<u>841,172</u>	<u>866,247</u>
Total Assets	<u>1,495,884</u>	<u>1,426,550</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	75,401	106,836
Current tax liabilities	104,981	83,880
Provisions	85,402	69,638
Total Current Liabilities	<u>265,784</u>	<u>260,354</u>
Non-Current Liabilities		
Provisions	31,414	37,697
Total Non-Current Liabilities	<u>31,414</u>	<u>37,697</u>
Total Liabilities	<u>297,198</u>	<u>298,051</u>
Net Assets	<u>1,198,686</u>	<u>1,128,499</u>
Equity		
Issued capital	607,871	607,871
Retained earnings	590,815	520,628
Total Equity	<u>1,198,686</u>	<u>1,128,499</u>

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Statement of Changes in Equity
for the half-year ended 31 December 2009

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2008	607,871	355,483	963,354
Net profit for the period	-	205,643	205,643
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(128,166)	(128,166)
Balance at 31 December 2008	<u>607,871</u>	<u>432,960</u>	<u>1,040,831</u>
 Balance at 1 July 2009	 607,871	 520,628	 1,128,499
Net profit for the period	-	198,353	198,353
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(128,166)	(128,166)
Balance at 31 December 2009	<u>607,871</u>	<u>590,815</u>	<u>1,198,686</u>

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Cash Flow Statement
for the half-year ended 31 December 2009

	2009	2008
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	1,574,296	1,395,352
Payments to suppliers and employees	(1,253,171)	(1,073,837)
Interest received	5,395	9,463
Income taxes paid	(67,940)	(31,566)
Net cash provided by operating activities	<u>258,580</u>	<u>299,412</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(27,346)	(42,383)
Net cash used in investing activities	<u>(27,346)</u>	<u>(42,383)</u>
Cash Flows From Financing Activities		
Dividends paid	(128,166)	(128,166)
Net cash used in financing activities	<u>(128,166)</u>	<u>(128,166)</u>
Net increase in cash held	103,068	128,863
Cash at the beginning of the financial year	299,290	459,829
Cash at the end of the half-year	<u><u>402,358</u></u>	<u><u>588,692</u></u>

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Notes to the financial statements
for the half-year ended 31 December 2009

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

Statement of Compliance

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

Basis of Accounting

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

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

Reporting Basis and Convention

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

2. Events Subsequent to Reporting Date

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

3. Contingent Assets and Liabilities

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

4. Segment Reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in one geographic area being Lang Lang, Pearcedale, Koo Wee Rup, Narre Warren South, Tooradin and their surrounding districts of Victoria.

5. Related Parties

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

Community Financial Services Victoria Limited
ABN 51 092 756 351
Notes to the financial statements
for the half-year ended 31 December 2009

6. Dividends Paid

Period ended 31 December 2009	2009 Cents	2009 \$	2008 Cents	2008 \$
Dividends paid in the year.				
- as recommended in the prior year report	17.5	128,166	17.5	128,166

Community Financial Services Victoria Limited
ABN 51 092 756 351
Directors' Declaration

In the opinion of the directors of Community Financial Services Victoria Limited ("the Company"):

- 1 The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2009 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Tania Lyn Hansen, Director

Dated this 2nd day of March 2010

INDEPENDENT AUDITOR'S REPORT

To the members of Community Financial Services Victoria Limited

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

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

Independence

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

Auditor's Opinion

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

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



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

Dated this 2nd day of March 2010