

annual report | 2009



Redcliffe Peninsula
Financial Services Limited
ABN 66 109 123 677

Margate Community Bank® Branch

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Chairman's report

For year ending 30 June 2009

It gives me pleasure to once again present our annual report. This year we celebrate our fifth birthday, and we are proud to present a report that indicates we have performed well, comparatively, during a year that has proven to be challenging for not only our business but all businesses across the country.

With the guidance of your Board, Gavin McNab and the staff have once again produced a commendable effort in finishing the year within our expectations, and in fact slightly exceeded our predictions. This year we were hoping to pay our first dividend, but unfortunately the global financial crisis hit everyone including us. We are confident that in the coming 12 months we will see conditions and the finance sector improve. We have been "conservatively optimistic" in our planning for 2009-2010.

As a **Community Bank**® Company we have upheld our credo and have supported many Community organisations. Much of this goes unheralded and this is the forum for us, the Board, to make our shareholders aware of the support we provide. Some of these groups are:

- Redcliffe Hospital Foundation
- Redcliffe Show Society
- Woody Point Special School
- Rotary Club of Redcliffe City
- St Vincent De Paul "Give a Child a Chance" program
- Victorian Bushfires Appeal
- Queensland Flood Appeal
- RSPCA Paws Walk
- Wildcats Netball Club

This shows that our commitment to the community has remained steadfast.

The Margate **Community Bank**® Branch is an integral part of the Community and has offered genuine assistance and solutions. We can be proud of our efforts and the difference we have made in helping our Community move forward.

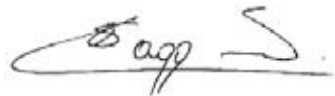
Although we continue to see the ways in which the Margate **Community Bank**® Branch has helped to develop and support our Community, now is not the time to be complacent.

It is important to celebrate our achievements, and it is also essential that we actively look and plan forward, so that our bank branch and our business remains relevant and can contribute to the Community in a meaningful way.

The work that goes into the running of the branch could not be achieved by a solitary person. As a Board,

Chairman's report continued

our thanks go to our Manager, Gavin McNab and his staff. From me personally, I express my thanks to each and every member of the Board who has given of their time freely throughout the year without asking for anything in return. As a publicly listed Company, there are a number of additional onuses on Board Members that many volunteer Boards do not face, and this additional responsibility should be acknowledged with gratitude.

A handwritten signature in black ink, appearing to read 'Gavin S.', written over a horizontal line.

Chairman

Manager's report

For year ending 30 June 2009

“Successful customers and successful communities create a successful bank – in that order”

What an interesting and challenging year we have experienced with the major worldwide economic downturn impacting on all financial markets. We have certainly not been immune to this, however Bendigo and Adelaide Bank as a whole has been acknowledged within various sections of the media as being very well placed to manage the challenges faced now and into the future.

This is evident in the Margate **Community Bank®** Branch story this year. Despite all the financial gloom, we have continued to produce sound business growth throughout the 2008-09 year.

	June 2008	June 2009	% Increase
Accounts	2746	3062	11.50%
Deposits	\$19.386 million	\$20.976 million	8.20%
Loans	\$27.447 million	\$32.223 million	17.40%
Total Funds Under Management	\$46.832 million	\$53.199 million	13.60%

Once again I believe this to be a solid performance in trying conditions and proof that the **Community Bank®** model is not only sustainable, but continues to be relevant and trusted by our customers.

At the time of writing this report (mid September) I am pleased to report that our total funds under management had increased to \$56.296 million, an increase year to date of 5.82%. With strong enquiry levels continuing, the year ahead looks promising.

As a **Community Bank®** branch we are focused on building strong relationships with our customers. During the past four and a half years my staff and I have been able to develop close relationships with not only our personal customers, but those in local businesses as well. It is reassuring to know that our products and services are assisting our customers meet their financial goals.

Redcliffe Peninsula Financial Services has continued to support local events and organisations with merchandising items, sponsorships, donations and the free use of our marquee. But the real benefit is the retention of the local dollars being kept in this Community and the goodwill that surrounds these Community ventures.

In the past I have always thanked you the shareholders separately from our customers for your contributions and foresight in setting up the **Community Bank®** branch, I would like to think that you are now one and the same.

As branch manager, I am fortunate to have the support of a great team. My staff Ben, Marion, Kelly, Mandy and Kerry are the face of the branch and I thank them for their efforts and commitment and congratulate them on these achievements over the past 12 months.

Manager's report continued

Bendigo and Adelaide Bank also plays a large part in our operations and I thank Greg Caught, our Regional Manager, together with his team in the State Support Office for their support and guidance over the past 12 months.

I would also like to acknowledge the effort, commitment and dedication of our volunteer Board of Directors. They continue to embrace the **Community Bank®** Company with pride and confidence.

Together with my staff we are looking forward to the challenges ahead and are confident that being a truly community-engaged organisation that this will place us in good stead throughout the next financial year.



Gavin McNab
Branch Manager

Directors' report

For year ending 30 June 2009

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

Directors

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

Serge Paggiaro

Chairman

Age: 59

Marketing Manager

Director in a tour wholesale Company, running golf tours to Asia and the Pacific region. Member of various community groups and clubs over the past 40 years. Founding Director.

Member of the Human Resources Committee and Chair of the Public Relations Committee.

1 ordinary share

William Reginald Fraser

Treasurer

Age: 56

Accountant

Director of Will Fraser & Co Pty Ltd, Certified Practising Accountants and Financial Planners. Founding Director.

Company Treasurer and Chair of the Corporate Governance & Audit Committee.

1,501 ordinary shares

Eva Joan Costello

Director

Age: 78

Self Employed Accountant

Self employed Accountancy and Taxation consultant for the past 19 years. Management of accounting firms and bank auditing for previous 40 years.

Member of the Policy Committee and Corporate Governance and Audit Committee.

1,000 ordinary shares

Rae Amelda Frawley

Director

Age: 60

Elected Local Government Representative

Banking, Public Hospital, Department of Education, Science & Training, Local Government.

Member of the Corporate Governance & Audit Committee.

Nil

Directors' report continued

Stephen John Hart

Vice Chairman

Age: 57

CEO Redcliffe Hospital Foundation

Managing Director of a magazine publishing company for 15 years. Manager Redcliffe Herald newspaper for 7 years. Member of Commerce and Industry Redcliffe Peninsula and Redcliffe Vision Group.

Member of the Marketing Committee.

1,001 ordinary shares

Christine Julia Standfast

Secretary

Age: 46

Marketing Manager

Manager of own business for 21 years. Consulted in marketing and communication. General Manager of firm with 70 employees. Bachelor of Business (Communication, Public Relations). Former secretary Queensland Synchronized Iceskating.

Member of the Marketing Committee.

Nil

Robert James Orr

Director

Age: 58

Self employed Director

Owner/operator of a office supplies business for 19 years. Past committee member of Redcliffe Peninsula Industrial Association and Redcliffe TAFE Council. Founding Director.

Chair of the Human Resources Committee.

6,501 ordinary shares

Scott Nicolaus Driscoll

Director (Appointed 24 March 2009)

Age: 34

National Executive Director

National Executive Director of the Retailers Association. Chairman of Australian Small Business Coalition. Member of various other community groups including National Association of Retail Grocers and Council of Small Business Organisations of Australia.

Member of the Human Resources Committee.

Nil

Norman John Bowles

Director (Resigned 30 March 2009)

Age: 64

Self Employed

Engineer in lighting, and later as a Quality Assurance Consultant. Founding Director.

Member of the Corporate Governance and Audit Committee.

1 ordinary share

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

Except for William Fraser, no Director has material interests in contracts or proposed contracts with the Company.

Directors' report continued

William Fraser is a Director of Will Fraser & Co Pty Ltd, a Margate based accounting practice. Will Fraser & Co Pty Ltd provides accounting services to the Company, based on discounted charge rates. As of 1 December 2008 William Fraser disposed of his equity interest in Will Fraser & Co Pty Ltd. Total fees charged during the 2009 financial year amounted to \$9,736 (2008: \$6,375).

Company Secretary

The Company Secretary is Christine Julia Standfast. Christine was appointed to the position of Secretary on 30 March 2009 following the resignation of Norman Bowles. Christine has managed her own business for more than 20 years and also consulted in marketing and communication. She holds a Bachelor of Business (Communication and Public Relations) and has completed part of Certificate IV in Company Administration.

Principal activities

The principal activities of the Company during the course of the financial year were in facilitating **Community Bank®** services under management rights to operate a franchised branch 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 2009 \$	Year ended 30 June 2008 \$
	5,795	4,083

Remuneration Report

No Director of the Company receives remuneration for services as a Company Director or Committee member.

The Branch Manager is employed by Bendigo and Adelaide Bank Limited, with his services seconded to Redcliffe Peninsula Financial Services Limited. He is employed on a contract which is in line with the standard remuneration levels applicable to Bendigo and Adelaide Bank Limited staff in similar roles.

Dividends

No dividends were declared or paid for the previous year and the Directors recommend that no dividend be paid for the current year.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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.

Directors' report continued

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

Except for William Fraser, 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. 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:

Names of directors

	Number of Board meetings eligible to attend	Number attended
Serge Paggiaro	11	11
Stephen John Hart	11	7
William Reginald Fraser	11	9
Christine Julia Standfast	11	10
Eva Joan Costello	11	9
Robert James Orr	11	11
Rae Amelda Frawley	11	5
Scott Nicolaus Driscoll (Appointed 24 March 2009)	3	2
Norman John Bowles (Resigned 30 March 2009)	7	3

Directors' report continued

Non-audit services

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

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

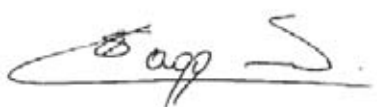
The Directors are satisfied that the provision of non-audit services by the Auditor, as set out in the notes did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

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

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

Signed in accordance with a resolution of the Board of Directors at Redcliffe, Queensland on 7 September 2009.



Serge Paggiaro, Chairman



William Reginald Fraser, Treasurer

Auditor's Independence Declaration



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Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the directors of Redcliffe Peninsula Financial Services Limited

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

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

David Hutchings

Auditor

Andrew Frewin & Stewart
Bendigo Victoria

Dated this 10th day of September 2009

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenue from ordinary activities	3	538,340	464,752
Salaries and employee benefits expense		(300,056)	(263,927)
Charitable donations, sponsorship, advertising & promotion		(25,160)	(12,270)
Occupancy and associated costs		(39,746)	(35,816)
Systems costs		(28,552)	(24,662)
Depreciation and amortisation expense	4	(22,844)	(23,819)
General administration expenses		(109,832)	(94,937)
Profit after income tax expense		12,149	9,320
Income tax expense	5	(6,354)	(5,237)
Profit for the period		5,795	4,083
Profit attributable to members of the entity		5,795	4,083
Earnings per share (cents per share)		<u>c</u>	<u>c</u>
- basic for profit for the year	18	0.85	0.60

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash assets	6	39,132	4,702
Trade and other receivables	7	30,286	29,659
Total current assets		69,418	34,361
Non-current assets			
Property, plant and equipment	8	158,160	168,366
Intangible assets	9	6,465	18,465
Deferred income tax asset	10	116,395	122,749
Total non-current assets		281,020	309,580
Total assets		350,438	343,941
Liabilities			
Current liabilities			
Trade and other payables	11	15,173	14,472
Total current liabilities		15,173	14,472
Total liabilities		15,173	14,472
Net assets		335,265	329,469
Equity			
Issued capital	12	645,843	645,843
Accumulated losses	13	(310,579)	(316,374)
Total equity		335,265	329,469

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		585,013	464,751
Payments to suppliers and employees		(549,930)	(434,220)
Interest paid		(18)	(780)
Net cash provided by operating activities	14	35,065	29,751
Cash flows from investing activities			
Payments for property, plant and equipment		(635)	(4,845)
Net cash used in investing activities		(635)	(4,845)
Net increase in cash held		34,430	24,906
Cash at the beginning of the financial year		4,702	(20,204)
Cash at the end of the financial year	6(a)	39,132	4,702

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	2009 \$	2008 \$
Total equity at the beginning of the period	329,470	325,386
Net profit for the period	5,795	4,083
Net income/expense recognised directly in equity	-	-
Total income and expense recognised by the entity for the year	5,795	4,083
Dividends provided for or paid	-	-
Shares issued during period	-	-
Costs of issuing shares	-	-
Total equity at the end of the period	335,265	329,469

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Summary of significant accounting policies

Basis of preparation

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

Compliance with IFRS

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

Historical cost convention

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

Revenue

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

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable 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 ATO are classified as operation cash flows.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Income tax

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Employee entitlements

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

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

Intangibles

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

Cash

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

Comparative figures

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

Property, plant and equipment

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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

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

Critical accounting estimates and judgements

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

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

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

Payment terms

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

Trade receivables and payables

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

Borrowings

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

Financial Instruments

Recognition and Initial Measurement

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Derecognition

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

Classification and subsequent measurement

(i) Loans and receivables

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

(ii) Held-to-maturity investments

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

(iii) Financial Liabilities

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

Impairment

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

Leases

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

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

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

Provisions

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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

Contributed equity

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

Earnings per share

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

Note 2. Financial risk management

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

Risk management is carried out directly by the Board of Directors.

(i) Market Risk

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

(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.

Notes to the financial statements continued

Note 2. Financial Risk Management (continued)

(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.

(vi) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Balance Sheet.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

- (i) the Distribution Limit is the greater of:
 - (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
 - (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and
- (ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2009 can be seen in the Income Statement.

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

Notes to the financial statements continued

	2009 \$	2008 \$
Note 3. Revenue from ordinary activities		
Operating activities		
- services commissions	538,334	464,752
Total revenue from operating activities	538,334	464,752
Non-operating activities:		
- interest received	6	-
Total revenue from non-operating activities	6	-
Total revenue from ordinary activities	538,340	464,752

Note 4. Expenses

Depreciation of non-current assets:		
- plant and equipment	8,176	9,152
- leasehold improvements	2,668	2,667
Amortisation of non-current assets:		
- franchise agreement	12,000	12,000
	22,844	23,819
Finance Costs:		
- Interest paid	18	780
Bad debts	1,185	1,538

Notes to the financial statements continued

	2009	2008
	\$	\$

Note 5. Income tax expense

The components of tax expense comprise:

- Recoupment of prior year tax losses	6,354	5,237
- Future income tax benefit attributable to losses	-	-
	6,354	5,237

The prima facie tax on profit from ordinary activities

before income tax is reconciled to the income tax expense as follows:

Operating profit	12,149	9,320
Prima facie tax on profit from ordinary activities at 30%	3,645	2,796

Add tax effect of:

- permanent differences	4,014	3,747
- other deductible expenses	(1,305)	(1,305)
Current tax	6,354	5,237
	6,354	5,237

Note 6. Cash assets

Cash at bank and on hand	39,132	4,702
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The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

6(a) Reconciliation of cash

Cash at bank and on hand	39,132	4,702
---------------------------------	---------------	--------------

Notes to the financial statements continued

	2009 \$	2008 \$
Note 7. Trade and other receivables		
Trade receivables	20,698	13,990
Prepayments	9,588	15,669
	30,286	29,659

Note 8. Property, plant and equipment

Plant and equipment

At cost	111,778	111,143
Less accumulated depreciation	(48,159)	(39,990)
	63,619	71,153

Leasehold improvements

At cost	106,719	106,719
Less accumulated depreciation	(12,178)	(9,506)
	94,541	97,213

Total written down amount	158,160	168,366
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Movements in carrying amounts

Plant and equipment

Carrying amount at beginning of year	71,153	75,464
Additions	635	4,849
Disposals	-	-
Less: depreciation expense	(8,169)	(9,160)
Carrying amount at end	63,619	71,153

Leasehold improvements

Carrying amount at beginning of year	97,213	99,877
Additions	-	-
Disposals	-	-
Less: depreciation expense	(2,672)	(2,664)
Carrying amount at end	94,541	97,213

Total written down amount	158,160	168,366
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Notes to the financial statements continued

	2009	2008
	\$	\$

Note 9. Intangible assets

Franchise fee

At cost	60,000	60,000
Less accumulated amortisation	(54,773)	(42,773)
	5,227	17,227
Formation expenses	1,238	1,238
	6,465	18,465

Note 10. Deferred tax

Deferred Tax Asset		-
- Opening Balance	122,749	127,986
Future income tax benefits attributable to losses	-	-
Recoupment of prior year tax losses	(6,354)	(5,237)
- Closing Balance	116,395	122,749

Note 11. Trade and other payables

Trade creditors	11,873	11,472
Other creditors & accruals	3,300	3,000
	15,173	14,472

Note 12. Contributed equity

681,359 Ordinary shares fully paid of \$1 each (2008: 681,359)	666,359	666,359
Less: equity raising expenses	(20,516)	(20,516)
	645,843	645,843

Notes to the financial statements continued

Note 12. Contributed equity (continued)

Rights attached to shares

(a) Voting Rights

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

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

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

(b) Dividends

Generally, dividends are payable to shareholders in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attached 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 they control or own 10% or more of the shares in the Company (the "10% limit").

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.

Notes to the financial statements continued

Note 12. Contributed equity (continued)

The Board has the power to request information from a person who has (or is suspected by the Board of having) a legal or beneficial interest in any shares in the Company or any voting power in the Company, for the purpose of determining whether a person has a prohibited shareholding interest. If the Board becomes aware that a shareholder has a prohibited shareholding interest, it must serve a notice requiring the shareholder (or the shareholder's associate) to dispose of the number of Shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified Shares on behalf of that person. The holder will be entitled to the consideration from the sale of the Shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

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

	2009	2008
	\$	\$

Note 13. Accumulated losses

Balance at the beginning of the financial year	(316,374)	(320,457)
Net profit from ordinary activities after income tax	5,795	4,083
Balance at the end of the financial year	(310,579)	(316,374)

Note 14. 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	5,795	4,083
Non cash items:		
- depreciation	10,844	11,819
- amortisation	12,000	12,000
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(627)	(4,210)
- (increase)/decrease in other assets	6,354	5,237
- increase/(decrease) in payables	699	822
Net cashflows provided by operating activities	35,065	29,751

Notes to the financial statements continued

	2009 \$	2008 \$
Note 15. Auditors' remuneration		
Amounts received or due and receivable by the		
Auditor of the Company for:		
- audit & review services	4,200	4,000
- non audit services	3,554	965
	7,754	4,965

Note 16. Director and related party disclosures

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

Serge Paggiaro

Stephen John Hart

William Reginald Fraser

Christine Julia Standfast

Eva Joan Costello

Robert James Orr

Rae Amelda Frawley

Scott Nicolaus Driscoll (Appointed 24 March 2009)

Norman John Bowles (Resigned 30 March 2009)

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Robert Orr, in the capacity of office supplies business owner, supplied copy paper and stationery to the value of

	1,467	-
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William Fraser provided accountancy services to the Company (as disclosed in the Director's Report).

No other Director or related entity has entered into a material contract with the Company. No Director's fees have been paid as the positions are held on a voluntary basis.

Notes to the financial statements continued

Note 16. Director and related party disclosures (continued)

Directors' shareholdings	2009	2008
Serge Paggiaro	1	1
Stephen John Hart	1,001	1,001
William Reginald Fraser	1	1
Christine Julia Standfast	-	-
Eva Joan Costello	1000	1000
Robert James Orr	6,501	6,501
Rae Amelda Frawley	-	-
Scott Nicolaus Driscoll (Appointed 24 March 2009)	-	-
Norman John Bowles (Resigned 30 March 2009)	1	1

There was no movement in Directors' shareholdings during the year.

Note 17. Earnings per share

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

5,795 4,083

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

681,359 681,359

Note 18. 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 19. Contingent liabilities

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

Notes to the financial statements continued

Note 20. 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 Redcliffe Peninsula and district, Queensland.

Note 21. Registered office/Principal place of business

The registered office and principal place of business is:

Registered office

Shop 1A, 300 Oxley Avenue

Margate QLD 4019

Principal place of business

Shop 1A, 300 Oxley Avenue

Margate QLD 4019

Note 22. 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 Income Statement and notes to the financial statements.

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

Notes to the financial statements continued

Note 22. Financial instruments (continued)

Financial instrument	Fixed interest rate maturing in											
	Floating interest rate		1 year or less		Over 1 to 5 years		Over 5 years		Non interest bearing		Weighted average effective interest rate	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash assets	38,832	4,402	-	-	-	-	-	-	300	300	0.05	0.05
Receivables	-	-	-	-	-	-	-	-	20,698	13,990	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	15,173	14,472	N/A	N/A

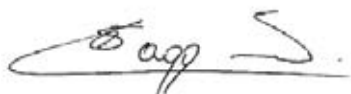
Director's declaration

In accordance with a resolution of the directors of Redcliffe Peninsula Financial Services Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and 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; and
- (c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

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



Serge Paggiaro

Chairman



William Reginald Fraser,

Treasurer

Signed on the 7 September 2009.

Independent audit report



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afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 001 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Redcliffe Peninsula Financial Services Limited

We have audited the accompanying financial statements of Redcliffe Peninsula Financial Services Limited, which comprise the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation

Independent audit report continued

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion on the Financial Report

In our opinion:

- 1) The financial report of Redcliffe Peninsula Financial Services Limited is in accordance with the Corporations Act 2001 including
 - (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its financial performance and its cash flows for the year then ended and;
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and;
- 2) The financial statements and notes also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

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

Auditor's Opinion

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



DAVID HUTCHINGS

ANDREW FREWIN & STEWART
61-65 Bull Street Bendigo 3550

Dated this day 10th of September 2009

BSX report

Additional information required by the Bendigo Bank Stock Exchange and not shown elsewhere in this report is as follows. The information is current as at 17 September 2009.

(a) Distribution of equity securities

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

Number of shares held	Number of shareholders
1 to 1,000	146
1,001 to 5,000	69
5,001 to 10,000	16
10,001 to 100,000	11
100,001 and over	
Total shareholders	242

There are currently 102 holders of parcels less than the minimum of 833, based on the current share price of \$0.60. Their holdings total 40,307 shares.

(b) Ten largest shareholders

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

Listed ordinary shares

Emerald Constructions	Australia Pty Ltd		45,000	6.60%
Cleaver Holdings (Qld) Pty Ltd	Superannuation Fund A/C Ltd		20,000	2.94%
Dave's Electrical Service Pty			20,000	2.94%
Mr Clive T Kitchen &	Mrs Yvonne M Kitchen	<Clive Kitchen S/Fund A/C>	20,000	2.94%
Mr Leonard Montes &	Mrs Emily Montes		20,000	2.94%
Ron Jelich Professional	Planning Pty Ltd	<Jelich Super Fund A/C>	20,000	2.94%
Mr Edward Trevarthen &	Mrs Elaine Trevarthen	<Trevarthen Super Fund A/C>	20,000	2.94%
Mr Gregory Willock McGilvery &	Mrs Pauline Morris McGilvery	<Gw & Ja McGilvery S/F A/C>	15,000	2.20%
Moreton Bay Regional Council			15,000	2.20%
Winpar Holdings Ltd			12,500	1.83%

(c) Voting rights

Each shareholder has one vote.

BSX report continued

(d) Corporate Governance Statement

The Board guides and monitors the business and affairs on behalf of the shareholders to whom they are accountable.

The Board recognises the importance of a strong corporate governance focus and methodology. The Board has adopted an extensive set of policies and procedures, that are the primary reference for the governance of our Company. This policy framework assists in clarifying the future direction of our local Company and provides accountability and transparency for decision making.

The Board has a formally constituted Corporate Governance and Audit Committee.

(e) Name of Company Secretary

Christine Julia Standfast

(f) Address and telephone number of registered office and principal place of business

Shop 1A, 300 Oxley Avenue, Margate QLD 4019

Phone: (07) 3883 2399

Fax: (07) 3883 4377

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

AFS & Associates Pty Ltd, 61-65 Bull Street, Bendigo VIC 3550. Telephone (03) 5443 0344.

(h) Number of restricted and unquoted securities

There are no restricted securities on issue, nor are there any unquoted securities.

Margate **Community Bank**® Branch
300 Oxley Avenue, Margate QLD 4019

Franchisee: Redcliffe Peninsula Financial Services Limited
300 Oxley Avenue, Margate QLD 4019
ABN: 66 109 123 677

www.bendigobank.com.au
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (KKQAR9018) (09/09)