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Chairman's Report

I am pleased to advise that the Company has enjoyed another successful year through the continued and loyal support of the Toodyay and districts community as a whole.

During the year there was a net gain in account openings of 306 and funds under management grew by \$8.03 million to \$77.64 million. The Board was proud to be able to pay out \$74,561 to the community including the thank you to the fire-fighters earlier this year, and youth grants. In addition to this amount, there are funding commitments and pledges in excess of \$95,000 that are yet to be distributed.

Branch staffing has largely stabilised over the past year with Branch Manager Glenn Rodger continuing to develop the role. The branch staff have made a substantial contribution to the business and I am grateful for their level of commitment to the Board and the **Community Bank**[®] customers with their culture of going the extra yard for the client to achieve an outcome. Staff numbers have grown over the year to ensure that the high service standards that have been established over the years are maintained.

Two new appointments were made to the Board of Directors over the past year, namely Andrew Wilkinson and John Mills. I am pleased to welcome them to the team and thank the existing Directors for their leadership that has contributed to the Company's performance over the year.

We are anticipating continued strong growth over the forthcoming year that will allow us to maximise dividend payments to shareholders, and maintain our support program that is synonymous with the Bendigo **Community Bank**[®] culture. If you continue to support us, we will continue to support you.

A handwritten signature in black ink, appearing to read 'G. M. Downie'. The signature is fluid and cursive, with a large, stylized 'D'.

Greg Downie
Chairman



Manager's Report

Another year has passed, and the branch achieved a healthy growth during the 12 months to 30 June 2007. This is a great result for a **Community Bank**^{*} branch run by local people to support the local community and surrounding districts.

Some of the key aspects of the branch performance over the year are:

- Funds under management as at 30 June 2007 - \$77.641 million
- Net growth in Funds under management over the 12 months of 13 per cent
- Net profit - \$129,007

These figures demonstrate a continued and sustainable growth and reflect well on the general performance of the branch.

The growth achieved was derived both from the support of existing customers who are building on their existing relationship with the branch, and new clients who are beginning their banking relationships with Toodyay & Districts **Community Bank**^{*} Branch. The branch feels privileged in knowing that there is a continued level of support in the community.

We are pleased to have been able to return a percentage of our profits to the various not-for-profit community groups and individuals over \$70,000 in funding and donations, including:

- Local volunteer fire brigades thank you
- Health, Healing & Harmony Festival
- Rebekkah Robbins (High School Rodeo Championships in USA)
- Steven Francis (World Karate Championships in Japan)
- Toodyay District High School year 10 work experience students
- Youth grant
- Community Enterprise Foundation

This does not include support provided to many sporting clubs and other community groups as well as contributions towards other festivals and events.

The branch has seen some changes in staff with the addition of three new team members; Shelley, Lyn and Zeta. Some of you may remember Shelley from her previous stint in the branch, whilst Lyn and Zeta are new members to the branch. All are personally involved in the Toodyay and Districts community. Chris left during the year and is working in Perth.

The team is committed to providing a high standard of friendly and personalised service to its clients and I would like to personally thank the staff for their unwavering commitment during the year.

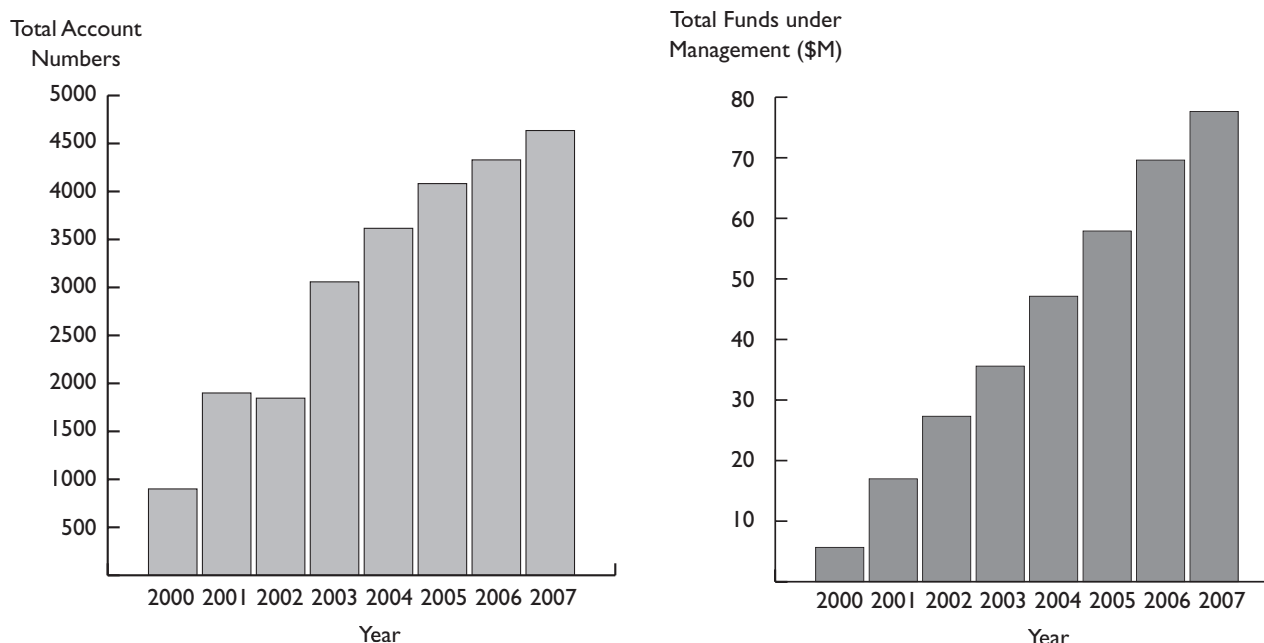
Toodyay & Districts **Community Bank**^{*} Branch remains focused on providing a reliable and dedicated service to the community, and is grateful for your continued support.

Glenn Rodger
Branch Manager

Toodyay & Districts Community Financial Services Limited

Since Toodyay & Districts Community Financial Services Limited established the Franchise Agreement with Bendigo Bank over seven years ago it has received outstanding support from the community of Toodyay and surrounding districts. This includes the Mums and Dads of the district as well as a high level of support from the business community.

An illustration of the support and growth achieved since commencement of operations seven years is demonstrated below:



The Community Bank concept is to generate profits of which a substantial percentage will be passed back for the benefit the Shareholders that provided the initial capital required to establish the operation as and to support the Community. The culture of the Toodyay & Districts Community Financial Services is *you supported us, we support you.*

Dividends paid since 2003 are as follows:

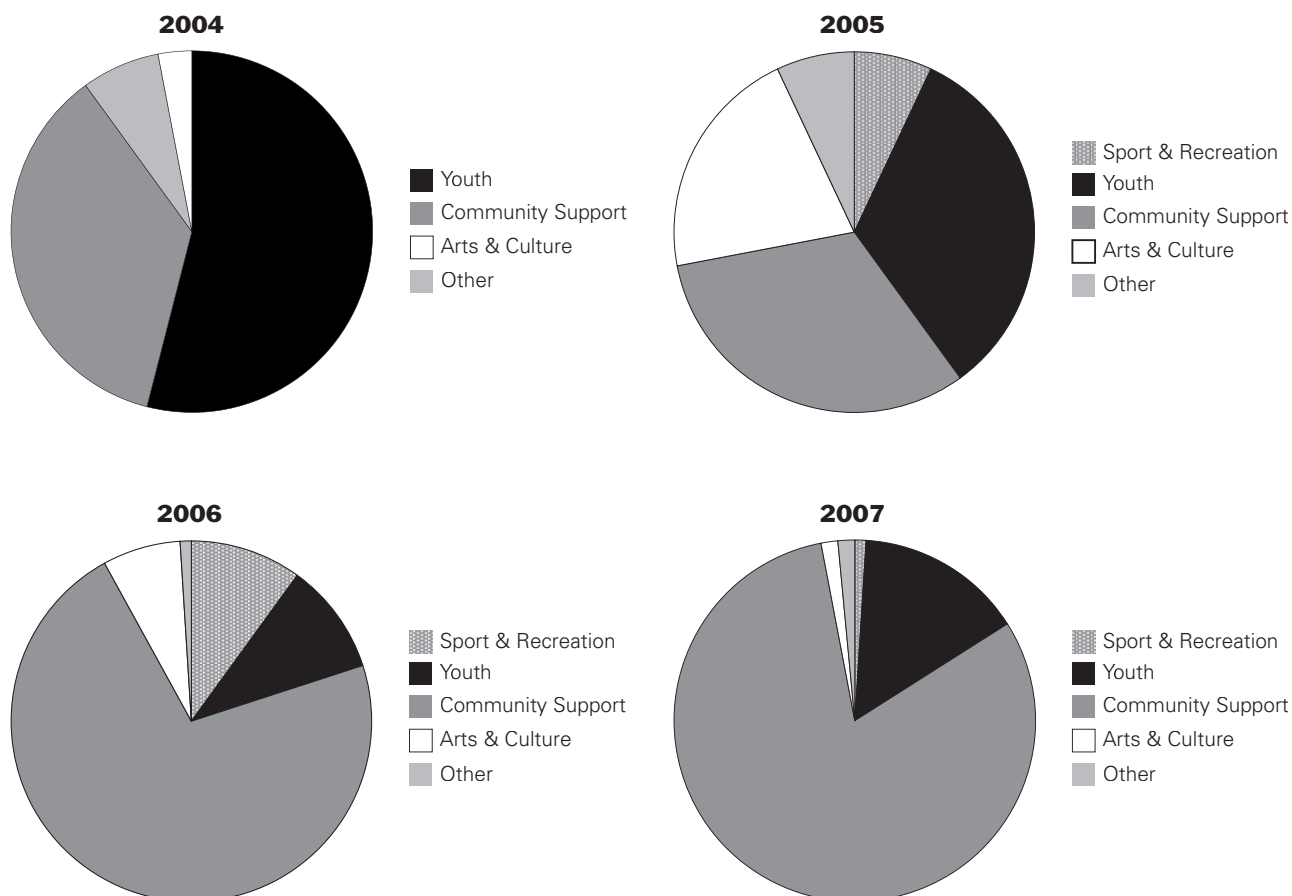
Year	Amount Paid	Dividend per Share (cents)
2003	\$13,694	4
2004	\$6,847	2
2005	\$37,659	11
2006	\$37,659	11

In the corresponding period the Board was proud to be able to return a share of its profits derived from the profit share arrangement with Bendigo Bank, to the community through a range of initiatives including event support, youth scholarships and grants, sporting club sponsorship and other not for profit deserving causes.

Sponsorship and Donations

Year	Amount Paid
2004	\$5,514
2005	\$14,217
2006	\$75,340
2007	\$74,561

The distribution over the period is as follows:



During the 2006/2007 financial year these initiatives included support such as the thank-you event to the Volunteer Fire-fighters of Western Australia and the many other helpers that gave so much to the district in January 2007. The devastating fires cost so much with the tragic loss of life of one of our Teachers, Michelle Mack and also the loss of property that could have been so much worse without their assistance and support.

The Board has contributed funds to assist the Shire of Toodyay with the engagement of a Consultant to assist with the development of a recreation strategy for Toodyay as well as its continued commitment to Toodyay's future citizens by supporting a range of initiatives such as the Scholarship Awards. Our involvement in this area will continue into the future.

In the 2006 and 2007 financial years the Board committed nearly \$100,000 towards the Community Enterprise Foundation which is a Bendigo Bank initiative to help provide funds to deserving and eligible groups in the community. Our commitment during the year to provide the St John Ambulance with \$32,500 will be met from this contribution to the Foundation.

Directors' Report

TOODYAY & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 67 090 105 249

Financial report for the year ended 30 June 2007

*This is annexure A of 28 pages referred
to in Form 388: Copy of financial
statements and reports*


Director

Dated this 27 day of September 2007

Directors

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

GREGORY MICHAEL DOWNIE

Position: Chairperson
Date of Birth: 2 March 1960
Occupation: Business Proprietor

Background Information: Past Vice President of Master Plumber Association and past deputy President of Shire of Toodyay.

Interest in shares and options: 2,000 shares

RICHARD JOHN DYMOND

Position: Non-Executive Director
Date of Birth: 2 March 1960
Occupation: Company Director/Investor

Background Information: 25 years experience in retail. Has been involved in many local community groups including theatre, Tourism, P&C and, of course, the bank.

Interest in shares and options: 20,501 shares

STEVEN JOSEPH STANBROOK

Position: Non-Executive Director
Date of Birth: 11 September 1965
Occupation: Company Director

Background Information: Director/CEO of "The Little Farm Company Toodyay" after having worked in the insurance industry for 3 years, has also been member of the tourism and rural industry for 15 years.

Interest in shares and options: 2,001 shares

PAULA ANN GREENWAY

Position: Non-Executive Director
Date of Birth: 27 October 1955
Occupation: Business Proprietor

Background Information: Events Co-ordinator for Dowerin Field Days. Member of Toodyay Chamber of Commerce, Tourist Community Inc and Chair of Avon Valley Tourist Association.

Interest in shares and options: –

ROBERT JOHN WELBURN

Position: Non-Executive Director
Date of Birth: 30 April 1962
Occupation: Farmer/Earthworks contractor

Background Information: Bank officer for 16 years, including Lending Manager. Was a business consultant for 5 years. Work 3 years as an earthworks contractor. Also a committee member of Toodyay District High School P & C and Vice President of the Toodyay 4WD Club.

Interest in shares and options: 7,301 shares

ANDREW BARCLAY WILKINSON (Appointed 26 December 2006)

Position: Non-Executive Director

Date of Birth: 19 May 1940

Occupation: Retired Company Director

Background Information: Previously a building cost consultant and registered builder. Former member of Master Builders Association Contracts Committee for approximately ten years.

Interest in shares and options: 5,000 shares

JOHN MILLS (Appointed 26 December 2006)

Position: Non-Executive Director

Date of Birth: 3 January 1950

Occupation: Business consultant/company director

Background Information: 26 years in banking to executive management and director level and General Manager of security company. Fellow of Australian Institute of Company Directors, President of Toodyay Chamber of Commerce and Industry and committee member on Morangup Progress Association.

Interest in shares and options: –

PAUL STEVEN MICHAEL (Resigned 23 November 2006)

Position: Non-Executive Director

Date of Birth: 5 May 1962

Occupation: Farmer/Investor

Background Information: 4 years experience as Certified Practicing Accountant. Has a Bachelor of Commerce degree (UWA), past President Toodyay Land Conservation District Committee. Also past President of Toodyay District High School P & C and has 6 years experience in the pastoral and tourism industry.

Interest in shares and options: 8,001 shares

PHILLIP LAWTON (Resigned 28 September 2006)

Position: Non-Executive Director

Date of Birth: 18 June 1948

Occupation: Veterinary Surgeon

Background Information: Work as a veterinary surgeon as own private practice for 32 years and on the Executive Committee for the Toodyay Chamber of Commerce & Industry.

Interest in shares and options: 5,001 shares

Company Secretary: ROBERT JOHN WELBURN

Meetings attended

Names of Directors	Number eligible to attend	Number attended
Gregory Michael Downie	12	11
Richard John Dymond	12	10
Steven Joseph Stanbrook	12	11
Paula Ann Greenway	12	10
Robert John Welburn	12	10
Andrew Barclay Wilkinson	6	5
John Mills	6	5
Paul Steven Michael	6	5
Phillip Lawton	6	2

Principal activity and review of operations

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

Operating results

The profit of the Company after providing for income tax amounted to \$99,504.

Dividends paid or recommended

The Company paid or declared for payment dividends of \$37,659 during the year.

Significant changes in state of affairs

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

After balance date events

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

Future developments

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

Remuneration Report

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

Income paid or was payable or otherwise made available, to the Directors of the Company during the years ended 30 June 2007 and 30 June 2006 as follows.

Remuneration of Directors

Names of Directors	2007	2006
Gregory Michael Downie	\$4,000	\$3,000
Richard John Dymond	\$3,000	\$2,000
Steven Joseph Stanbrook	\$1,000	\$1,000
Paula Ann Greenway	\$1,000	\$1,000
Robert John Welburn	\$3,000	\$1,000
Andrew Barclay Wilkinson	\$1,000	\$1,000
Paul Steven Michael	\$1,000	\$1,000
Phillip Lawton	–	\$2,000
Total Remuneration	\$14,000	\$11,000

Remuneration Policy

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

The board's policy for determining the nature and amount of remuneration for senior Executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the senior Executives, was developed by the Board.
- All Executives receive a base salary (which is based on factors such as length of service and experience), and superannuation.
- The Board reviews Executive packages annually by reference to the Company's performance, Executive performance and comparable information from industry sectors.
- The performance of Executives is measured against criteria agreed annually with each Executive and is based predominantly on the forecast growth of the Company's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives and bonuses, which must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.
- The Executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals may have chosen to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to Executives is valued at the cost to the Company and expensed.

Performance-based remuneration

As part of each Executive's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between Executives with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with Executives to ensure buy-in. The measures are specifically tailored to the areas each Executive is involved in and has a level of

control over. The KPIs target areas the board believes hold greater potential for Company expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the Company and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Company's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures.

Company performance, shareholder wealth and Executive remuneration

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

Key management personnel remuneration policy

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

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

Details of remuneration for year ended 30 June 2007

The remuneration for each Executive officer of the Company receiving the highest remuneration during the year was as follows:

	Salary, Fees and Commissions	Superannuation Contribution	Cash Bonus	Non-cash Benefits	Total	Performance related
	\$	\$	\$	\$	\$	%
Glenn Rodgers	73,676	6,391	–	–	80,067	–
TOTAL	73,676	6,391	–	–	80,067	–

Details of remuneration for year ended 30 June 2006

The remuneration for each Executive officer of the Company receiving the highest remuneration during the year was as follows:

	Salary, Fees and Commissions	Superannuation Contribution	Cash Bonus	Non-cash Benefits	Total	Performance related
	\$	\$	\$	\$	\$	%
Glenn Rodgers	2,269	204	–	–	2,473	–
Jim Finnerty	17,424	1,568	–	–	18,992	–
John Mills	23,671	2,130	–	–	25,801	–
TOTAL	43,364	3,902	–	–	47,266	–

Performance income as a proportion of total remuneration

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

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

Options

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

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

Indemnifying officers or auditor

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

Share options

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

Environmental issues

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

Proceedings on behalf of Company

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

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

Non-audit Services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2002. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

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

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2007:

Taxation services:	\$4,385
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Auditor's Independence Declaration

TOODYAY & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 67 090 105 249

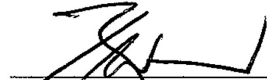
Financial report for the year ended 30 June 2007

Auditor's Independence Declaration

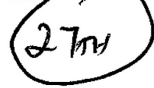
A copy of the auditor's independence declaration is included within the financial statements.

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

Director



Dated this



day of

September

2007

RSM Bird Cameron Partners

Chartered Accountants

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GPO Box R1253 Perth WA 6844
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www.rsmi.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS
TOODYAY & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

David Wall

DAVID WALL
Partner

Perth, WA
Date: **27 SEPTEMBER 2007**

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Independent Audit Report

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TOODYAY & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Toodyay & Districts Community Financial Services Limited (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

We have also audited the remuneration disclosure contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Report' in the directors' report and not in the financial report.

Directors' Responsibility for the Financial Report

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

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

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. Our responsibility is to also express an opinion on the remuneration declarations contained in the directors' report based on our audit.

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

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

Independence

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

Auditor's Opinion on the Financial Report

In our opinion:

- a. the financial report of Toodyay & Districts Community Financial Services Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Auditor's Opinion on the AASB 124 Remuneration Disclosures Contained in the Directors' Report

In our opinion the remuneration disclosures that are contained in the directors' report comply with Accounting Standards AASB 124

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D. Wall

DAVID WALL
Partner

Perth, WA

Date: **27 SEPTEMBER 2007**

Directors' Declaration

TOODYAY & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 67 090 105 249

Financial report for the year ended 30 June 2007

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standard and the Corporations Regulations 2001; and
 - b. give a true and fair view of the Company's financial position as at 30 June 2007 and of the performance for the year ended on that date of the Company
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable:

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

Director

Dated this

27th

day of

September

2007

Income Statement

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
Revenue	2	816,595	705,875
Employee benefits expense		(363,763)	(282,083)
Depreciation and amortisation expense		(13,598)	(13,688)
Finance costs		(76)	-
Other expenses	3	(292,723)	(270,409)
Profit before income tax		146,435	139,695
Income tax expense	4	46,931	44,598
Profit attributable to members		99,504	95,097

OVERALL OPERATIONS

Basic profit per share (cents per share)	29.1	27.8
Diluted profit per share (cents per share)	29.1	27.8

Balance Sheet

as at 30 June 2007

The accompanying notes form part of these financial statements

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	5	344,799	306,215
Trade and other receivables	6	77,058	70,950
Other current assets	7	1,393	3,531
TOTAL CURRENT ASSETS		423,250	380,696
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,436	7,034
Intangible assets	9	25,000	35,000
Deferred tax asset	21	5,026	3,594
TOTAL NON-CURRENT ASSETS		33,462	45,628
TOTAL ASSETS		456,712	426,324
CURRENT LIABILITIES			
Trade and other payables	10	42,696	39,427
Short-term provisions	11	16,752	11,977
Current tax liabilities	21	12,330	51,831
TOTAL CURRENT LIABILITIES		71,778	103,235
TOTAL LIABILITIES		71,778	103,235
NET ASSETS		384,934	323,089
EQUITY			
Issued capital	12	342,359	342,359
Accumulated profits		42,575	(19,270)
TOTAL EQUITY		384,934	323,089

Statement of Changes in Equity

For the year ended 30 June 2007

The accompanying notes form part of these financial statements

	Share Capital (Ordinary shares) \$	Retained losses \$	Total \$
Balance at 1 July 2005	342,359	(76,709)	265,650
Profit attributable to the members of the Company	-	95,098	95,098
Dividends paid or provided	-	(37,659)	(37,659)
Balance at 30 June 2006	342,359	(19,270)	323,089
Balance at 1 July 2006	342,359	(19,270)	323,089
Profit attributable to the members of the Company	-	99,504	99,504
Dividends paid or provided	-	(37,659)	(37,659)
Balance at 30 June 2007	342,359	42,575	384,934

Cash Flow Statement

For the year ended 30 June 2007

The accompanying notes form part of these financial statements

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		805,812	683,784
Payments to suppliers and employees		(743,546)	(533,049)
Interest received		14,053	9,340
Borrowing costs paid		(76)	-
Net cash provided by operating activities	13(a)	76,243	160,075
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(37,659)	(37,659)
Net cash used in financing activities		(37,659)	(37,659)
Net increase in cash held		38,584	122,416
Cash held at the beginning of the financial year		306,215	183,799
Cash held at the end of the financial year	5	344,799	306,215

Notes to the Financial Statements

For the year ended 30 June 2007

- The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.
- The financial report covers Toodyay & Districts Community Financial Services Limited as an individual entity. Toodyay & Districts Community Financial Services Limited is a listed public company, incorporated and domiciled in Australia.
- The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of preparation

The financial policies set out below have been consistency applied to all years presented.

Reporting Basis and Conventions

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

Accounting policies

(a) *Income tax*

- The change for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.
- Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.
- Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.
- Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.
- The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(b) *Property, plant and equipment*

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

Plant and equipment

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

- The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.
- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.
- Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

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

Class of Fixed Asset	Depreciation Rate
<i>Plant and equipment</i>	<i>20%</i>
- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.
- An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

- Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic 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 year.
- Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.
- Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.
- Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

- **Financial assets at fair value through profit and loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or

if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

- **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 stated at amortised cost using the effective interest rate method.

- **Held-to-maturity investments**

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

- **Fair value**

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

(e) *Impairment of assets*

- At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.
- Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) *Intangibles Franchise fee*

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

(g) *Employee benefits*

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts

(h) *Provisions*

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

(i) *Cash and cash equivalents*

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

(j) *Revenue*

- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Dividend revenue is recognised when the right to receive a dividend has been established.
- Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(k) Borrowing costs

- Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.
- All other borrowing costs are recognised in income in the period in which they are incurred.

(l) Goods and services tax (GST)

- Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.
- Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative figures

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

Critical accounting estimates and judgments

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

Key estimates — Impairment

- The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.
- No impairment has been recognised in respect of intangibles for the year ended 30 June 2007. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2007 amounting to \$25,000.

The financial report was authorised for issue on 27 September 2007 by the board of directors.

Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$	2006 \$
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2. REVENUE

Franchise margin income	802,542	696,285
Interest revenue from:		
Other parties	14,053	9,340
Other revenue	-	250
	816,595	705,875

3. EXPENSES

Rental on operating lease	17,219	23,176
IT leasing and running costs	31,167	27,725
Other operating expenses	243,980	219,508
Bad debts	357	-
	292,723	270,409

Remuneration of the auditors of the Company		
Audit services	3,749	3,217
Other Services	4,385	4,250
	8,134	7,467

	2007 \$	2006 \$
4. INCOME TAX EXPENSE		
No income tax is payable by the Company as it has recouped tax losses previously brought to account for income tax purposes.		
a. The components of tax expense comprise:		
Current tax	48,363	45,035
Deferred tax (Note 20)	(1,432)	(437)
	46,931	44,598
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2006: 30%)	43,931	41,908
Add:		
Tax effect of:		
– non-deductible depreciation and amortization	3,000	3,000
Less:		
Tax effect of:		
– other allowable items	-	(310)
Income tax attributable to entity	46,931	44,598
5. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	344,799	306,215
6. TRADE AND OTHER RECEIVABLES		
Trade debtors	77,058	70,950
7. OTHER ASSETS		
Current Prepayments	1,393	3,531

	2007 \$	2006 \$
8. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
Cost	102,777	102,777
Accumulated depreciation	(99,341)	(95,743)
	3,436	7,034
<i>Movement in carrying amount</i>		
Balance at the beginning of the year	7,034	10,721
Depreciation expense	(3,598)	(3,687)
Carrying amount at the end of the year	3,436	7,034
9. INTANGIBLE ASSETS		
Franchise fee		
Cost	100,000	100,000
Accumulated amortisation	(75,000)	(65,000)
	25,000	35,000
Pursuant to a five year franchise agreement with Bendigo Bank, the Company operates a branch of Bendigo Bank at Toodyay, trading as "Toodyay & Districts Community Branch – Bendigo Bank", providing a core range of banking products and services. The Company renewed the franchise agreement at a cost of \$50,000 in respect of each five year franchise fee.		
10. TRADE AND OTHER PAYABLES		
Trade creditors and accruals	25,847	25,170
GST payable	16,849	14,257
	42,696	39,427

	2007 \$	2006 \$
11. PROVISIONS		
Provision for employee entitlements	16,752	11,977
Number of employees at year end	8	6
12. EQUITY		
342,359 (2006: 342,359) fully paid ordinary shares	342,359	342,359
13. CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with profit after tax		
Profit after tax	99,504	95,097
Depreciation and amortisation	13,598	13,688
<i>Movement in assets and liabilities</i>		
Receivables	(6,108)	(12,750)
Other assets	2,138	2,490
Payables	3,269	21,968
Deferred tax asset	(1,432)	(437)
Provisions	(34,726)	40,019
Net cash provided by/(used in) operating Activities	76,243	160,075
b. Credit Standby Arrangement and Loan Facilities		
The Company does not operate a bank overdraft facility or have any loan facilities at present.		
14. RELATED PARTY TRANSACTIONS		
John Mills was paid \$24,637 for consulting services. The amount was paid under commercial terms and conditions.		
No amount was paid to related parties for the year ended 30 June 2006.		

					2007 \$	2006 \$
15. LEASING COMMITMENTS						
Non cancellable operating lease commitment contracted for but not capitalized in the financial statements						
Payable						
Not longer than 1 year					21,000	21,000
Longer than 1 year but not longer than 5 years					42,000	63,000
16. FINANCIAL INSTRUMENTS					63,000	84,000
a. Interest rate risk	Rates	Variable	Fixed		Non-interest	Total
2007			1 year	1-5 yrs		
<i>Financial Assets</i>						
Cash and cash equivalents	3.75%	344,799	-	-	-	344,799
Receivables	-	-	-	-	77,058	77,058
Total Financial Assets	-	344,799	-	-	77,058	421,857
<i>Financial Liabilities</i>						
Payables	-	-	-	-	(42,696)	(42,696)
Provisions and current tax	-	-	-	-	(29,082)	(29,082)
Total Financial Liabilities	-	-	-	-	(71,778)	(71,778)

16. FINANCIAL INSTRUMENTS (cont.)						
a. Interest rate risk	Rates	Variable	Fixed		Non-interest	Total
2006			1 year	1-5 yrs		
<i>Financial Assets</i>						
Cash and cash equivalents	3.65%	306,215	-	-	-	306,215
Receivables	-	-	-	-	70,950	70,950
Total Financial Assets	-	306,215	-	-	70,950	377,165
<i>Financial Liabilities</i>						
Payables	-	-	-	-	(39,427)	(39,427)
Provisions and current tax	-	-	-	-	(63,808)	(63,808)
Total Financial Liabilities	-	-	-	-	(103,235)	(103,235)

(b) Credit risk

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

(c) Net fair values

The net fair value of financial assets and liabilities of the Company approximates their carrying amount.

The Company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

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

17. SEGMENT REPORTING

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

18. EVENTS AFTER THE BALANCE SHEET DATE

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

19. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date.

	2007 \$	2006 \$
20. TAX		
a. Liability		
Current		
Income tax	12,330	51,831
b. Assets		
Deferred tax assets comprise:		
Provisions	5,026	3,594
c. Reconciliations		
i. Gross Movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	3,594	3,157
Charge/(credit) to income statement	1,432	437
Closing balance	5,026	3,594
ii. Deferred Tax Assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
<i>Provisions</i>		
Opening balance	3,594	3,157
Credited to the income statement	1,432	437
Closing balance	5,026	3,594

21. CHANGES IN ACCOUNTING POLICY

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

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2005–10: Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 133: Earnings per Share AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	1 Jan 2007	1 July 2007
AASB 7: Financial Instruments: Disclosures	AASB 132: Financial Instruments: Disclosure and Presentation	As above	1 Jan 2007	1 Jan 2007

22. COMPANY DETAILS

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

108 Stirling Terrace
Toodyay WA 6566

BSX Report

