

COLERAINE & DISTRICT
FINANCIAL SERVICES LIMITED
ABN 77 102 030 017

2010
ANNUAL
REPORT

Coleraine & District
Community Bank[®] Branch

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Chairman's report 30 June 2010

The years results:

I am delighted to be able to report on a successful year with an increased portfolio and good earnings.

The community grants to the Coleraine Pastoral & Agricultural Society and the Coleraine Bowling Club (announced previously) have now been delivered and the infrastructure is in place. The total of these grants, \$15,000.00 from prior years' profits, has made permanent improvements to this community.

To quote Rob Hunt, "the true role of banking is to feed into prosperity and advance the capacity of communities". This is exactly the result we are now witnessing and we have just got started. Because of the support of you, our shareholders and customers, normal everyday banking transactions have given these benefits to our community - \$15,000.00 in community grants; \$20,000.00 in sponsorship/community support in this reporting year, as well as \$1600.00 in charitable donations.

It truly is exciting for me to be sharing these results with you. As a member of the Coleraine & District Development Association I was part of the push 10 years ago, to find out what we could do about the threat to the banking services we had then. My concern as a businesswoman, working as Practice Manager in our Medical Practice, was how would the town function without a Bank? But this brilliant **Community Bank**[®] concept has given us so much more than a Bank in our town.

Our challenge now is to step up to the future possibilities - goals, partnerships and innovative ideas. Our profit after deductions and before income tax was \$62,632.00; after tax \$47,366.00. We need to hold some retained earnings and reward our shareholders, but once again there will be money available for community infrastructure or community projects.

The more of your banking business we handle, the more benefit for our community.

New developments:

At last we could afford an ATM! We are delighted with the installation of our ATM, number 1,000 for Bendigo and Adelaide Bank, and it was great to have a party to celebrate that. The ATM is already bringing us new customers, income, and great convenience.

Chairman's report 30 June 2010 continued

The Board:

Our Board is fantastic. Each Director ends up with a job. Our workload is shared. We have gender mix and Board diversity. We have had a healthy turnover of Directors, but we still retain four of the originals.

We welcome Greg Hodgson, a farmer from north of Coleraine, and we farewell Lachie McDonald, a farmer and business proprietor who has markedly expanded his own rural service business and has had to step down due to lack of time. Well done Lachie, we thank you for sticking with us as long as possible and we wish you great success.

Our Junior Observer Lana Burgess has moved on, and reports how valuable the experience was for her. Thank you Lana, it was a pleasure to have you with us.

Key Directors with particular roles now receive a modest allowance, but basically we are all volunteers, guiding this enterprise to provide excellent service to local customers and to bring benefit to our district community. Thank you, you are a great team.

The staff:

Another great team is our staff, the public face of banking in Coleraine. In this reporting year we have farewelled Manager Rosina TeMaipi and welcomed Manager Belinda Gunningham, who stepped up internally, but after comprehensive advertising and interviewing processes.

We are the only bank branch west of Hamilton with a resident Manager. We have the friendliest staff with a focus on the customer, and we recognise that they are the public face of this enterprise. Well done all, we thank you for the passion you have for your work.

We also thank our Region Manager, Gary Attrill, only a phone call away, and always so supportive. Thanks also to our great support people in Agribusiness, Financial Planning, Business Banking and all the other support team roles regionally for Bendigo and Adelaide Bank, we could not succeed without you.



Coralie Coulson
Chairman

Manager's report 30 June 2010

For the year ending 30 June 2010

It is with great honour that I present the Annual Report as Manager of Coleraine & District **Community Bank**[®] Branch.

The branch has now been operating for seven and a half years having opened its doors for business back in April 2003. We continue to see steady growth in the business and are still welcoming new customers to our branch. Improved economic conditions means that the business has seen income margins increase, enabling ongoing profitability for the financial year.

We began the year with a total portfolio of \$49.2 million, and closed at 30 June with footings of \$52.75 million (growth of approximately \$3.5 million), comprising of \$19.32 million in lending, \$28.07 million in deposits, and \$4.74 million of other business which includes Rural Bank (formerly Elders Rural Bank), Financial Planning, Superannuation, Leveraged Equities and Community Sector Banking. We now have in excess of 1,250 customers from all across Australia, not just the Coleraine region. This figure continues to grow every day, and the average customer holds at least two different products with our branch.

The branch offers specialists in business banking, agribusiness banking and financial planning, which includes superannuation, shares, wealth investment, retirement and estate and taxation planning as well as insurance. Each specialist visits the branch regularly and holds a wealth of knowledge in their chosen field.

Staff changes throughout the financial year saw the resignation of manager Rosina Te Maipi, who in March accepted a position to manage the newly opened Lowood and Fernvale (Qld) branch. Rosina held the position of manager for almost three years and made significant contributions to the outstanding success of the branch during her time at the helm. We sincerely thank Rosina for her contribution to the Coleraine branch and wish her every success in the future.

Due to Rosina's resignation the Manager's position was advertised, from which I was promoted from my previous role of Customer Relationship Manager. In December 2009, I had completed a Diploma in Financial Planning, bringing greater depth of knowledge to the Branch. Due to my appointment as Manager, Donna Cook was promoted from a Customer Service Officer to a Customer Relationship Officer, and is now working her way to becoming a competent and experienced lender.

Manager's report 30 June 2010 continued

We welcomed back Customer Service Officer Janelle Tooley from maternity leave, and due to the vacancy that was left open after Donna's appointment, Tamara Nash and Michelle Ferey stepped up on a permanent basis to fill the role.

Donna, Andrea, Michelle, Janelle and Tamara are the 'face' and the backbone of the branch and with their passion, work ethic and willingness to go the extra mile they make the branch the success that it is today. They are always willing to help our customers in any way they can, even if it involves 'thinking outside the square'. Each member of the team excels in our mission statement which is "Excellent customer service is our priority for your **Community Bank**[®] branch." I thank and congratulate each and every one of them for the support and dedication which they have given to their roles, the branch and to myself.

These staff members and the **Community Bank**[®] model are they reason why we are different from every other bank – customer service and our customer's needs are our highest priority, and this in turn leads to a successful bank which returns large profits to the community. Successful customers create a successful community which creates a successful bank, in that order.

In closing, I would like to thank John Kane, previous Chairman, Coralie Coulson, current Chairman, and Grant Little, Deputy Chairman for the support they have given me since being appointed to the role. I would also like to thank each and every board member for the passionate belief, drive and unwavering support they have for our **Community Bank**[®] branch - thank you!

I would also like to thank each and every shareholder for their belief in the **Community Bank**[®] model – without you all we wouldn't have a bank – thank you, and finally to our customers, without you this branch would not be as successful as it is today.



Belinda (Bindy) Gunningham
Branch Manager

**Community Grants, Donations and Sponsorships
Year ended 30 June 2010**

Community Grants:

Coleraine P & A Society	\$ 5,000	
Coleraine Bowling Club	<u>\$10,000</u>	\$15,000

Sponsorship:

Coleraine Art Show (2009)	\$ 150	
Coleraine Golf Club	\$ 150	
Year 6 children's Valedictory Gifts	\$1800	
Mulleraterong Ball	\$ 90	
Merino Golf Club	\$ 200	
Coleraine Cricket Club	\$ 300	
OxFam Walk Sponsorship	\$ 400	
Coleraine Racing Club	\$1600	
Coleraine Christmas Parade	\$ 400	
Repair of Historical Society's Roof	\$1000	
Coleraine Pony Club	\$ 500	
Coleraine Bowling Club	\$ 300	
Merino Consolidated School	\$ 300	
Southern Grampians Cycle Event	\$1000	
Art Show 2010	\$ 400	
Men's Shed Rental	\$5200	
P&A Society for Coleraine Show	\$1000	
Petrol for Community Car	\$1000	
Nursing awards	\$ 300	
Lions Club	\$ 500	
St Joseph's School	\$ 300	
Coleraine Football/Netball Club		
Ongoing up to	<u>\$3000</u>	\$19,890

Charitable Donations:

Toodyay Fire Appeal	\$1000	
Local tertiary student - books	\$100	
Local family Crisis Food vouchers	<u>\$500</u>	\$ 1,600

Coleraine & District Financial Services Ltd

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Directors' Report

30 June 2010

Your directors present their report on the company for the financial year ended 30 June 2010.

1. General information

Directors

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

Names	Appointed/Resigned
Alexandra Louise Kelso Farmer / Administration	
Coralie Louise Coulson Community Worker / Company Director	
Elizabeth Mary Britten Retired School Teacher	
Grant James Little Farm Manager	
Gregory Hodgson Grazier	Appointed June 2010
John Thomas Kane Farmer	
Lachlan Malcolm McDonald Rural Merchandiser Proprietor / Farmer	
Patricia Ann Munro Retail Proprietor	
Quentin Arthur Baudinette Cabinet Maker	
Sandra Margaret Adams Clerical Assistant & Fellow of the Institute of Company Directors	
Tim Johnston Farmer	
Valerie Joyce Lawson Retail Operations Manager	
Alan Moss Human Resource Manager	Resigned 27 October 2009

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of Coleraine & District Financial Services Ltd during the financial year were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

No significant change in the nature of these activities occurred during the year.

2. Business review

Dividends paid or declared

Dividends paid or declared since the start of the financial year are as follows:

- An unfranked dividend declared for payment on 20 October 2008 of \$ 14,084 was paid on 10 July 2009.

Coleraine & District Financial Services Ltd

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Directors' Report

30 June 2010

2. Business Review (continued)

Operating Results

The profit of the company for the financial year after providing for income tax amounted to \$ 47,366 (2008/2009 \$2,405).

3. Director Information

Meetings of Directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Alexandra Louise Kelso Farmer / Administration	12	10
Coralie Louise Coulson Community Worker / Company Director	12	11
Elizabeth Mary Britten Retired School Teacher	12	11
Grant James Little Farm Manager	12	11
Gregory Hodgson Grazier	1	1
John Thomas Kane Farmer	12	11
Lachlan Malcolm McDonald Rural Merchandiser Proprietor / Farmer	12	2
Patricia Ann Munro Retail Proprietor	12	7
Quentin Arthur Baudinette Cabinet Maker	12	10
Sandra Margaret Adams Clerical Assistant & Fellow of the Institute of Company Directors	12	12
Tim Johnston Farmer	12	9
Valerie Joyce Lawson Retail Operations Manager	12	11

No significant changes in the company's state of affairs occurred during the financial year.

Coleraine & District Financial Services Ltd

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Directors' Report

30 June 2010

4. Other Matters

After balance date events

No matters or circumstances have arisen since the end of the financial year which 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.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001.

Likely 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.

Environmental Matter

The companies operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory.

Options

No options over shares or interest in the company were granted owing or since the end of the financial year and were not options outstanding at the date of this report.

Indemnities

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or have been an officer or auditor of the company.

Proceedings against the company

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

Signed in accordance with a resolution of the Board of Directors:

Director: *CL Coulson*

Dated *20 September 2010*

Coleraine & District Financial Services Ltd

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Comprehensive Income Statement

For the Year Ended 30 June 2010

		2010	2009
	Note	\$	\$
Revenue	2	475,367	379,396
Other income	2	8	32
Employee benefits expense		(227,684)	(218,728)
Depreciation, amortisation and impairments	3	(22,799)	(16,169)
Other expenses		(162,260)	(141,094)
Profit before income tax		62,632	3,437
Income tax expense	3	(15,266)	(1,032)
Profit for the year		47,366	2,405
Other Comprehensive Income			
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		47,366	2,405
Earnings Per Share:			
Overall operations:			
Basic earnings per share (cents per share)		0.09	0.01

The accompanying notes form part of these financial statements.

Coleraine & District Financial Services Ltd

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Balance Sheet

30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	100,923	87,651
Trade and other receivables	5	51,336	40,294
Total current assets		152,259	127,945
Non-current assets			
Property, plant and equipment	6	110,465	82,472
Deferred tax assets		58,780	74,047
Intangible assets	7	36,940	50,722
Total non-current assets		206,186	207,241
TOTAL ASSETS		358,444	335,186
LIABILITIES			
Current liabilities			
Trade and other payables	8	29,812	37,562
Short-term provisions	9	6,928	9,202
Total current liabilities		36,740	46,764
Non-current liabilities			
TOTAL LIABILITIES		36,740	46,764
NET ASSETS		321,704	288,422
EQUITY			
Issued capital	10	469,472	469,472
Reserve		-	14,084
Retained earnings		(147,768)	(195,134)
TOTAL EQUITY		321,704	288,422

The accompanying notes form part of these financial statements.

Coleraine & District Financial Services Ltd

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Statement of Changes in Equity

For the Year Ended 30 June 2010

		2010			
		Ordinary	Retained	Community	Total
		Shares	Earnings	Projects	
				Reserve	
Note		\$	\$	\$	\$
	Balance at 1 July 2009	469,472	(195,134)	14,084	288,422
	Comprehensive result	-	47,366	-	47,366
	Transfers to and from reserves	-	-	(14,084)	(14,084)
	Balance at 30 June 2010	469,472	(147,768)	-	321,704

		2009			
		Ordinary	Retained	Community	Total
		Shares	Earnings	Projects	
				Reserve	
Note		\$	\$	\$	\$
	Balance at 1 July 2008	469,472	(183,456)	-	286,016
	Comprehensive result	-	2,406	-	2,406
	Transfers to and from reserves	-	(14,084)	14,084	-
	Balance at 30 June 2009	469,472	(195,134)	14,084	288,422

The accompanying notes form part of these financial statements.

Coleraine & District Financial Services Ltd

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Cash Flow Statement

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Cash from operating activities:			
Receipts from customers		467,727	378,104
Payments to suppliers and employees		(403,369)	(355,124)
Interest received		8	32
Net cash provided by (used in) operating activities	13	<u>64,366</u>	<u>23,012</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		(37,010)	(16,133)
Net cash provided by (used in) investing activities		<u>(37,010)</u>	<u>(16,133)</u>
Cash flows from financing activities:			
Dividends paid		(14,084)	-
Net cash provided by (used in) financing activities		<u>(14,084)</u>	<u>-</u>
Other activities:			
Net increase (decreases) in cash held		13,272	6,879
Cash at beginning of financial year		87,651	80,772
Cash and cash equivalents at end of financial year	4	<u>100,923</u>	<u>87,651</u>

The accompanying notes form part of these financial statements.

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(a) General information

This financial report covers Coleraine & District Financial Services Ltd as an individual entity. Coleraine & District Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of financial statements in conformity with AIFRS requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies.

(c) Comparatives

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

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated 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 the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be recovered from the assets' employment and subsequent disposal.

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company 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

Leasehold Improvements	2.5%
Plant and Equipment	20 - 50%
Computer Equipment	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(e) 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, net of bank overdrafts.

(f) 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 expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(g) 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.

(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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(i) Income taxes

The income tax expense for the year comprises current income tax expense (income) and deferred tax expense.

Current income tax expense charged to the income statement is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to the relevant taxation authority.

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.

(j) Revenue

Service revenue is recognised upon rendering the service to the customer.

Interest revenue is recognised on the proportional basis taking into account the interest rates applicable to the financial assets.

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

(k) 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 Tax 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.

(l) Rounding of Amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$ 1.

(m) Community Projects Reserve

This reserve records the value of dividends declared but not yet approved for payment.

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(n) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the company has not adopted early. The company does not anticipate the early adoption of any of the Australian Accounting Standards.

(o) Intangibles

Licences are recognized at the cost of acquisition. Licences have a finite life and are carried at cost less any accumulated amortization and any impairment losses. Licences are amortised over their useful life of 5 years.

(p) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the company, by the weighted average number of ordinary shares outstanding during the financial year.

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

2 Revenue

	2010	2009
	\$	\$
Services revenue	475,367	379,396
Interest received	8	32
	<u>475,375</u>	<u>379,428</u>

3 Expenses

	2010	2009
	\$	\$
Auditors' Remuneration		
Remuneration of the auditor of the company for: - auditing or reviewing the financial report	<u>2,100</u>	<u>1,850</u>

Depreciation, amortisation and impairments

Depreciation	9,017	2,387
Amortisation	13,782	13,782
	<u>22,799</u>	<u>16,169</u>

Income Tax Expense

The prima facie tax on profit/(loss) from ordinary activities

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

Prima facie tax on profit from ordinary activities at 30%	18,790	1,032
Less tax effect of:		
- Investment allowance	<u>(3,524)</u>	-
Income tax expense	<u>15,266</u>	<u>1,032</u>

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

4 Cash and cash equivalents

	2010	2009
	\$	\$
Cash at bank	100,923	87,651
	<u>100,923</u>	<u>87,651</u>

Reconciliation of Cash

	2010	2009
	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	100,923	87,651
	<u>100,923</u>	<u>87,651</u>

5 Trade and other receivables

	2010	2009
	\$	\$
CURRENT		
Trade receivables	46,722	39,083
Prepayments	4,614	1,211
	<u>51,336</u>	<u>40,294</u>

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

6 Property, plant and equipment

	2010	2009
	\$	\$
PLANT AND EQUIPMENT		
At cost	5,476	3,526
Accumulated depreciation	(3,349)	(3,246)
Total Plant and Equipment	<u>2,127</u>	<u>280</u>
Leasehold improvements		
At cost	130,005	94,945
Accumulated depreciation	(21,667)	(12,753)
Total leasehold improvements	<u>108,338</u>	<u>82,192</u>
Total property, plant and equipment	<u>110,465</u>	<u>82,472</u>

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year

	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$
Current Year			
Balance at the beginning of year	280	82,192	82,472
Additions	1,950	35,060	37,010
Depreciation expense	(103)	(8,914)	(9,017)
Carrying amount at the end of year	<u>2,127</u>	<u>108,338</u>	<u>110,465</u>

	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$
2009			
Balance at the beginning of year	384	68,342	68,726
Additions	-	16,133	16,133
Depreciation expense	(104)	(2,283)	(2,387)
Carrying amount at the end of year	<u>280</u>	<u>82,192</u>	<u>82,472</u>

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

7 Intangible assets

	2010	2009
	\$	\$
Licenses and Franchises		
Cost	68,909	68,909
Accumulated amortisation	(31,969)	(18,187)
Net carrying value	36,940	50,722

8 Trade and other payables

	2010	2009
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	9,425	12,063
GST payable	12,972	11,288
Withholding taxes payable	7,415	9,604
Payroll and superannuation liabilities	-	4,607
	29,811	37,562

9 Provisions

	2010	2009
	\$	\$
Employee Entitlements	6,928	9,202
	6,928	9,202

10 Issued Capital

Summary Table

	2010	2009
	\$	\$
- 469,472 Fully Paid Ordinary Shares (2009: 469,472)	469,472	469,472
	469,472	469,472

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

11 Income tax expense

(a) The components of tax expense comprise:

	2010	2009
	\$	\$
Current tax	15,226	1,032
	<u>15,226</u>	<u>1,032</u>

12 Dividends

Dividends paid

	2010	2009
	\$	\$
Ordinary dividend unfranked	14,084	-
Balance of franking account	<u>-</u>	<u>-</u>

13 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010	2009
	\$	\$
Net profit for the year	47,366	2,405
Non-cash flows in profit		
Amortisation	13,782	13,782
Depreciation	9,017	2,387
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(7,639)	(3,825)
(Increase)/decrease in prepayments	(3,403)	2,533
Increase/(decrease) in trade payables and accruals	(7,749)	2,540
(Increase)/decrease in deferred taxes assets	15,236	1,032
Increase/(decrease) in provisions	(2,274)	2,158
	<u>64,366</u>	<u>23,012</u>

Coleraine & District Financial Services Ltd

77102030017

Notes to the Financial Statements

For the Year Ended 30 June 2010

14 Company Details

Registered office

The registered office of the company is:
Coleraine & District Financial Services Ltd
59 Whyte Street
Coleraine VIC 3315

Principal place of business

The principal places of business are:
59 Whyte Street
Coleraine VIC 3315

15 Key Management Personnel Compensation

	Short-term Benefits \$	Total \$
2010		
Total Compensation	69,644	69,644
2009		
Total Compensation	64,236	64,236

Loans from Directors

Directors, and director-related entities, have provided the unsecured interest-free at call loans to the trust disclosed in the income statement.

- -

Distributions

Distributions to directors are identified in the income statement.

- -

Coleraine & District Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

16 Operating Lease Commitments

	2010	2009
	\$	\$
Non-cancellable operating leases contracted for but not capitalized in the financial statements:		
Payable – minimum lease payments:		
- not later than 12 months	-	-
- between 12 months and 5 years	-	-
- greater than 5 years	-	6,894
	<hr/>	<hr/>
	-	6,894
	<hr/>	<hr/>

a. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The company does not have any derivative instruments at 30 June 2010.

(i) Treasury Management

A finance committee meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt, when required.

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Credit risk is managed and reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties: only banks and financial institutions with an 'A' rating are utilised.

Price risk

The company is not exposed to any material commodity price risk.

Note 20: Financial Risk Management (Cont)

b. Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non Interest Bearing		Total	
	2010 %	2009 %	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial Assets												
Cash and cash equivalents	0.01%	0.04%	100,923	87,651	-	-	-	-	-	-	100,923	87,651
Loans and Receivables	-	-	51,336	40,294	-	-	-	-	-	-	51,336	40,294
Total Financial Assets			152,259	127,945	-	-	-	-	-	-	152,259	127,945
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	29,811	37,562	29,811	37,562
Bank Loan Secured	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	-	-	29,811	37,562	29,811	37,562
Net			152,259	127,945	-	-	-	-	(29,811)	(37,562)	122,448	90,383

Trade and Sundry Payables are expected to be paid as follows:

	2010 \$	2009 \$
Less than 6 months	29,811	37,562
Total	29,811	37,562

c. Net Fair Value

Financial assets and liabilities listed at their net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on an organised market. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	2010		2009	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	100,923	100,923	87,651	87,651
Loans and Receivables	51,336	51,336	40,294	40,294
Total	152,259	152,259	127,945	127,945
Financial Liabilities				
Bank loan secured	29,811	29,811	37,562	37,562
Trade and other payables				
Total	29,811	29,811	37,562	37,562

Fair values are materially in line with carrying values.

d. Sensitivity Analysis

Interest Rate Risk

The trust has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis:

At 30 June 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be minimal.

Coleraine & District Financial Services Ltd

77102030017

Notes to the Financial Statements

For the Year Ended 30 June 2010

18 Related Party Transactions

There are no related party transactions. Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

19 Contingent Assets and Liabilities

There are no known contingent liabilities or assets at balance date (2009 nil).

Coleraine & District Financial Services Ltd

77102030017

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 21, present fairly the company's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. 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 *CH Coulson*

Director *S Adams*

Dated *20 September*
2010



COFFEY HUNT

199 Koroit Street

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Warmanbeed VIC 3280

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FAX (03) 5562 0689

WEBSITE www.coffeyhunt.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COLERAINE & DISTRICT FINANCIAL SERVICES LIMITED

Report on the financial report

We have audited the accompanying financial report of Coleraine & District Financial Services Limited, which comprises the balance sheet as at 30 June 2010, and the comprehensive income statement, statement of changes in equity and cash flow statement for the year ended on that date, 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 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(a), 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 ensures 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 the auditor's judgement, including the assessment of 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 company'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 company'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.

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

In our opinion,

- (a) the financial report of Coleraine & District 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 2010 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(a).

Coffey Hunt .

COFFEY HUNT
CHARTERED ACCOUNTANTS

Christoph K.

C.J. KOL
PARTNER

Dated at Warrnambool: *23rd September 2010.*

Liability limited by a scheme approved under Professional Standards Legislation.



COFFEY HUNT

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

C.J. KOL
PARTNER
COFFEY HUNT

Dated at Warrnambool: 23rd September 2010.

Liability limited by a scheme approved under Professional Standards Legislation.