Apollo Bay & District
Community Enterprises Limited
ABN 79 127 944 923

2008 annual report

Contents

Chairman's report

For year ending 30 June 2008

It is my pleasure to present this first report on behalf of the Board of Directors, to the shareholders of the Apollo Bay & District Community Enterprises.

While the actual branch has enjoyed only a little over two months trading to the end of the financial year, following a wonderful launch of our new premises, your Board, and prior to that the Steering Committee, have worked tirelessly over the past eighteen months to bring the branch to fruition.

The goal behind all this hard work is to both pay our shareholders of this great community enterprise a healthy dividend and to then distribute any profits back into the community.

Our business plan has projected that the branch should be into profit by about the 30th month, but it is the Board's hope that with the support of the community we might achieve that goal earlier, but to do so we need the business to make that happen.

Over the past ten years **Community Bank®** branches have changed the landscape of the Australian banking industry. We in Apollo Bay have joined an Australia wide network of 220 similar branches which celebrated in July their first ten years of operation. Together they have demonstrated that it is possible to combine a social conscience with a business strategy by working for the benefit of the local community. This is the significant point of difference between us and the major banks – our undertaking to engage with the local community.

In many similar towns and communities the successful local **Community Bank®** branch has led to new growth and confidence with the creation of new jobs and the retention of capital in the town which will fuel productive activity in the town. It is our hope that we will be more valued than any of the other banks because of the commitment and contribution we can make beyond our own business.

Rather significantly, Bendigo Bank has for several years, in independent commercial surveys of the banking industry, rated number one in customer satisfaction and number one in the Business Banking Survey. It is against this background that the local branch will build and strive to earn similar respect.

I would like to acknowledge the role of your Board who have contributed so much through hundreds of unpaid man-hours in ensuring the success of your **Community Bank®** branch.

But at this early stage that is only the beginning. The real work starts now in proving the relevance of this model for this great community and gathering its support in taking us forward.

Allen J. Hokin
Chairman

Manager’s report

For year ending 30 June 2008

The grand opening of the Apollo Bay & District **Community Bank®** Branch on 5 May 2008 was indeed a cause for celebration, not just for the hardworking members of the Apollo Bay & District Community Enterprise but also for our community as a whole who in the past have seen profits generated from within our town go to the benefit of others elsewhere.

I would like to thank the Chairman Allen Hokin and the Board of Directors of the Community Enterprise and before them the Steering Committee for their vision and unbridled enthusiasm in getting the **Community Bank®** venture to this point. It has been a long process and their willingness to take on unfamiliar duties in an unpaid capacity is an absolute credit to them.

Whilst we are, at the end of June 2008, only two months into our journey we are all looking forward to the point at which we can commence distributing proceeds from the business back to the shareholders as dividends and to the community in the form of sponsorship arrangements.

I would like to acknowledge and thank the Bendigo Bank staff from the Geelong region that made the effort to travel to Apollo Bay to meet with potential clients and discuss business opportunities prior to our opening the doors to enable our branch to get off to a great start.

Thanks also to our staff of Joanne, Dennis and Becky who have put a lot of effort into getting up to speed with Bendigo Bank policies and procedures and have been extremely conscientious when applying their training to ensure they are providing the high standard of friendly and professional service that Bendigo Bank is known and respected for.

I personally look forward to being able to provide banking services to this community for many years to come and wish to reiterate the fact that we are indeed here for the long run and encourage you as shareholders to invite all your family and friends to visit us at the branch and treat themselves to the **Community Bank®** experience.

It is through the support of the community that we will continue to grow and in turn be able to provide financial support to the clubs, societies and organisations that make Apollo Bay a strong and vibrant community.

Philip Davey
Branch Manager

Directors' report

For year ending 30 June 2008

Your Directors submit the financial report of the Company for the financial year ended 30 June 2008.

Directors

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

Allen James Hokin
Chairman
Age: 76
Retired

Patricia Lorraine Hokin
Secretary
Age: 64
Retired

Susan Maree Kennedy
Director
Age: 47
Hospitality Industry

John Vincent Murphy
Director
Age: 67
Semi-Retired

Tony John Webber
Director
Age: 52
Shearer/Farm Manager

Janine Gwen Coles
Director (Resigned 17 March 2008)
Age: 63
Retired Special School Teacher

Michael John Abbott
Treasurer
Age: 55
Accommodation Booking Service Operator

Kim Bazell
Director
Age: 44
Administration Officer

Valda Marion McLoughlin
Director
Age: 67
Retired

Anthony Tibbits
Director
Age: 47
Carpenter

Joanna Louise Redmond
Director (Appointed 31 March 2008)
Age: 29
Manager

Directors were in office since 11 October 2007 unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Company Secretary

The Company Secretary is Patricia Lorraine Hokin. Patricia was appointed to the inaugural position of Secretary on 11 October 2007. Retired business proprietor with legal Secretary experience. Current or ex-office bearer on various local community groups including Bowls Club, News Sheet and Apollo Bay Music Festival and others.

Principal activities

The principal activities of the Company during the course of the financial year were in facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo Bank Limited.

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

Operating results

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

Year ended 30 June 2008 $
(140,790)

Dividends

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments

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

Environmental regulation

The Company is not subject to any significant environmental regulation.

Directors' report continued

Directors' benefits

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

Indemnification and Insurance of Directors and Officers

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

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

Directors meetings

The number of Directors meetings attended by each of the Directors of the Company during the year were:

	Number of Board meetings eligible to attend	**Number attended**
Allen James Hokin	14	14
Michael John Abbott	14	13
Patricia Lorraine Hokin	14	13
Kim Bazell	14	9
Susan Maree Kennedy	14	13
Valda Marion McLoughlin	14	11
John Vincent Murphy	14	9
Anthony Tibbits	14	13
Tony John Webber	14	12
Joanna Louise Redmond (Appointed 31 March 2008)	5	5
Janine Gwen Coles (Resigned 17 March 2008)	9	5

Non Audit services

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

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

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

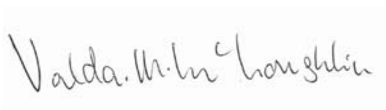
- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;
- none of the services undermine the general principles relating to Auditor independence as set out in Professional Statement F1, including reviewing or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

Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Signed in accordance with a resolution of the Board of Directors at Apollo Bay, Victoria on 10 September 2008.

Michael John Abbott
Treasurer



Valda Marion McLoughlin
Director

Auditor's independence declaration

AFS
partners in success
Chartered Accountants & Business Advisors

PO Box 454
Bendigo VIC 3552
61-65 Bull Street
Bendigo VIC 3550
Phone (03) 5443 0344
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afs@afsbendigo.com.au
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ABN 51 061 795 337

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Apollo Bay & District Community Enterprises Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

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

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 10th day of September 2008

Financial statements

Income statement
For year ending 30 June 2008

	Note	2008 $
Revenues from ordinary activities	3	11,466
Salaries and employee benefits expense		(168,039)
Advertising and promotion expenses		(1,041)
Occupancy and associated costs		(7,468)
Systems costs		(6,899)
Depreciation and amortisation expense	4	(9,125)
General administration expenses		(23,234)
Loss before income tax credit		**(204,340)**
Income tax credit	5	63,550
Loss for the period		**(140,790)**
Loss attributable to members of the entity		**(140,790)**
Earnings per share (cents per share)		**¢**
- basic for profit for the year	21	(46.83)

The accompanying notes form part of these financial statements.

Balance sheet
As at 30 June 2008

	Note	2008 $
Assets		
Current assets		
Cash assets	6	257,248
Trade and other receivables	7	56,971
Total current assets		**314,219**
Non-current assets		
Property, plant and equipment	8	183,711
Intangible assets	9	9,500
Deferred tax assets	10	63,550
Total non-current assets		**256,761**
Total assets		**570,980**
Liabilities		
Current liabilities		
Trade and other payables	11	27,949
Provisions	12	4,259
Total current liabilities		**32,208**
Total liabilities		**32,208**
Net assets		**538,772**
Equity		
Issued capital	13	679,562
Accumulated losses	14	(140,790)
Total equity		**538,772**

The accompanying notes form part of these financial statements.

Statement of cash flows
As at 30 June 2008

	Note	2008 $
Cash flows from operating activities		
Receipts from customers		3,599
Payments to suppliers and employees		(233,827)
Net cash used in operating activities	**15**	**(230,228)**
Cash flows from investing activities		
Payments for property, plant and equipment		(192,336)
Payments for intangible assets		(10,000)
Net cash used in investing activities		**(202,336)**
Cash flows from financing activities		
Proceeds from issues of equity securities		706,210
Payment for share issue costs		(16,398)
Net cash provided by financing activities		**689,812**
Net increase in cash held		**257,248**
Cash at the beginning of the financial year		-
Cash at the end of the half-year	**6(a)**	**257,248**

The accompanying notes form part of these financial statements.

Statement of changes in equity
As at 30 June 2008

	Note	2008 $
Total equity at the beginning of the period		-
Net loss for the period		(140,790)
Net income/expense recognised directly in equity		-
Dividends provided for or paid		-
Shares issued during period		706,210
Costs in share raising		(26,648)
Total equity at the end of the period		**538,772**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Summary of significant accounting policies

Basis of preparation

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

Compliance with IFRS

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

Historical cost convention

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

Revenue

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

Goods and services tax

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

Receivables and payables are stated with the amount of GST included.

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

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

Note 1. Summary of significant accounting policies (continued)

Income tax

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Employee entitlements

The provision for employee benefits to wages, salaries and annual leave represents the amount which the Company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

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

Intangibles

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

Cash

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

Comparative figures

The Company was incorporated on 11 October 2007 therefore there were no operations during the year ending 30 June 2007.

Property, plant and equipment

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

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

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

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

Note 1. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements

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

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

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

Payment terms

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

Trade receivables and payables

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

Borrowings

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

Provisions

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

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

Contributed equity

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Earnings per share

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

Note 2. Financial risk management

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

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

(i) Market risk

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

(ii) Price risk

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

(iii) Credit risk

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

(iv) Liquidity risk

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

(v) Cash flow and fair value interest rate risk

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

Notes to the financial statements continued

	2008 $

Note 3. Revenue from ordinary activities

Operating activities:	
- services commissions	8,040
- other revenue	50
Total revenue from operating activities	**8,090**
Non-operating activities:	
- interest received	3,376
Total revenue from non-operating activities	**3,376**
Total revenues from ordinary activities	**11,466**

Note 4. Expenses

Depreciation of non-current assets:	
- plant and equipment	6,757
- leasehold improvements	1,868
Amortisation of non-current assets:	
- franchise agreement	500
	9,125

Note 5. Income tax expense

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Operating loss	(204,340)
Prima facie tax on loss from ordinary activities at 30%	(61,302)
Add tax effect of:	
- non-deductible expenses	150
- timing difference expenses	1,278
- blackhole expenses	(2,398)
Current tax	(62,272)
Movement in deferred tax (see Note 10)	(1,278)
	(63,550)

Notes to the financial statements continued

	2008 $

Note 6. Cash assets

Cash at bank and on hand	5,857
Term deposits/Investment account	251,391
	257,248

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

6(a) Reconciliation of cash	
Cash at bank and on hand	5,857
Term deposits/investment account	251,391
	257,248

Note 7. Trade and other receivables

Trade receivables	53,596
Accrued income	3,375
	56,971

Note 8. Property, plant and equipment

Plant and equipment	
At cost	47,728
Less accumulated depreciation	(6,757)
	40,971
Leasehold improvements	
At cost	144,608
Less accumulated depreciation	(1,868)
	142,740
Total written down amount	**183,711**

	2008 $

Note 8. Property, plant and equipment (continued)

	2008 $
Movements in carrying amounts:	
Plant and equipment	-
Carrying amount at beginning	-
Additions	47,728
Disposals	-
Less: depreciation expense	(6,757)
Carrying amount at end	**40,971**
Leasehold improvements	
Carrying amount at beginning	-
Additions	144,608
Disposals	-
Less: depreciation expense	(1,868)
Carrying amount at end	**142,740**
Total written down amount	**183,711**

Note 9. Intangible assets

	2008 $
Franchise fee	
At cost	10,000
Less: accumulated amortisation	(500)
	9,500

Note 10. Deferred Tax

	2008 $
Deferred tax asset	
Opening Balance	-
Future income tax benefits attributable to losses	62,272
Deferred tax on provisions	1,278
Closing balance	**63,550**

Notes to the financial statements continued

	2008 $

Note 11. Trade and other payables

Trade creditors	25,949
Other creditors & accruals	2,000
	27,949

Note 12. Provisions

Employee provisions	4,259
Number of employees at year end	**3**

Note 13. Contributed equity

706,210 Ordinary shares fully paid of $1 each	706,210
Less: equity raising expenses	(26,648)
	679,562

Note 14. Accumulated losses

Balance at the beginning of the financial year	-
Net loss from ordinary activities after income tax	(140,790)
Dividends paid	-
Balance at the end of the financial year	**(140,790)**

Note 15. Statement of cash flows

Reconciliation of loss from ordinary activities after tax to net cash used in operating activities

Loss from ordinary activities after income tax	(140,790)
Non cash items:	
- depreciation	8,625
- amortisation	500

	2008 $
Note 15. Statement of cash flows (continued)	
Changes in assets and liabilities:	
- increase in receivables	(56,971)
- increase in other assets	(63,550)
- increase in payables	17,699
-increase in provisions	4,259
Net cash flows used in operating activities	**(230,228)**

Note 16. Auditors' remuneration

Amounts received or due and receivable by the Auditor of the Company for:

- audit & review services	2,000
- non audit services	12,967
	14,967

Note 17. Director and related party disclosures

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

Allen James Hokin

Michael John Abbott

Patricia Lorraine Hokin

Kim Bazell

Susan Maree Kennedy

Valda Marion McLoughlin

John Vincent Murphy

Anthony Tibbits

Tony John Webber

Joanna Louise Redmond (Appointed 31 March 2008)

Janine Gwen Coles (Resigned 17 March 2008)

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

Note 17. Director and related party disclosures (continued)

Directors shareholdings	2008
Allen James Hokin	5,001
Michael John Abbott	2,001
Patricia Lorraine Hokin	5,001
Kim Bazell	3,001
Susan Maree Kennedy	5,001
Valda Marion McLoughlin	7,501
John Vincent Murphy	10,001
Anthony Tibbits	8,001
Tony John Webber	5,001
Joanna Louise Redmond (Appointed 31 March 2008)	6,000
Janine Gwen Coles (Resigned 17 March 2008)	201

Each share held is valued at $1.

Note 18. Key management personnel disclosures

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

There are no Executives within the Company whose remuneration is required to be disclosed.

Note 19. Earnings per share

	2008 $
(a) Loss attributable to the ordinary equity holders of the Company used in calculating earnings per share	(140,790)

	2008 Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	300,670

Notes to the financial statements continued

Note 20. Events occurring after the balance sheet date

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 21. Contingent liabilities

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

Note 22. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Apollo Bay and surrounding district of Victoria.

Note 23. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
14 Pascoe Street, Apollo Bay VIC 3233	14 Pascoe Street, Apollo Bay VIC 3233

Note 24. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The Company does not have any unrecognised financial instruments at the year end.

Credit risk

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

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

Notes to the financial statements continued

Note 24. Financial instruments (continued)

Interest rate risk

Financial instrument	Floating interest rate	Fixed interest rate maturing in 1 year or less	Fixed interest rate maturing in Over 1 to 5 years	Fixed interest rate maturing in Over 5 years	Non interest bearing	Weighted average effective interest rate
	2008 $	2008 $	2008 $	2008 $	2008 $	2008 %
Financial assets						
Cash assets	5,857	–	–	–	–	0.05
Investment account	100,000	–	–	–	–	7
Term deposit	–	151,391	–	–	–	8.1
Receivables	–	–	–	–	56,971	N/A
Financial liabilities						
Payables	–	–	–	–	27,949	N/A

Director's declaration

In accordance with a resolution of the Directors of Apollo Bay & District Community Enterprises Limited, we state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; and

  (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

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

Michael John Abbott
Treasurer

Valda Marion McLoughlin
Director

Signed on 10 September 2008.

Independent audit report

AFS partners in success
Chartered Accountants & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

To the members of Apollo Bay & District Community Enterprises Limited

We have audited the accompanying financial report of Apollo Bay & District Community Enterprises Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the director's declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 Related Party Disclosures ("Remuneration disclosures"), under the heading "Remuneration Report" in the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors Responsibility for the Financial Report

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

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 and that the remuneration disclosures comply with Accounting Standards AASB 124 Related Party Disclosures.

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent audit report continued

Independence

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

Auditor's Opinion

In our opinion:

1) The financial report is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Apollo Bay & District Community Enterprises Limited as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
2) The financial report also complies with International financial reporting standards as disclosed in Note 1.
3) The remuneration disclosures that are contained in the director's report comply with Accounting Standards AASB 124 Related Party Disclosures.

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

Dated this 10th day of September 2008

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