

Buderim Community Enterprises Limited
ABN 28 136 810 074
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2011.

Directors

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

John Reginald Burgess

William Wieland

Geoffrey Reynolds Hole

Michael Edward Milne

Judith Ann Wild

Keith Otto Neuendorf (*Resigned 1 February 2012*)

Principal Activities

The principal activity of the company during the course of the financial period was in facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review and Results of Operations

In November 2011, the Bendigo Bank approved the establishment of a working overdraft with a limit of \$360,000 to be used by the Board in the day to day running of the business. It is common for community bank companies to require assistance in their first few years of operation, until they reach profitability. To date we have used approximately \$100,000 of this facility and we will be working tirelessly with our staff to ensure that our debt remains manageable.

Operations have continued to perform in line with expectations. The net loss of the company for the financial period after the provision of income tax was: \$144,306 [2010: \$154,313].

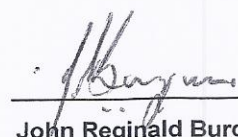
Matters Subsequent to the End of the Reporting Period

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

Auditors' Independence Declaration

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

Signed in accordance with a resolution of the directors at Buderim, Queensland on 22 February 2012.



John Reginald Burgess, Chairman

**Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001
to the directors of Buderim Community Enterprises Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011 there have been:

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



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

Dated this 28th day of February 2012

Buderim Community Enterprises Limited
ABN 28 136 810 074
Statement of Comprehensive Income
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Revenue from ordinary activities	107,090	86,184
Employee benefits expense	(124,803)	(136,721)
Charitable donations, sponsorship, advertising and promotion	(20,245)	(7,234)
Occupancy and associated costs	(40,494)	(32,868)
Systems costs	(11,681)	(12,082)
Depreciation and amortisation expense	(21,879)	(21,547)
Finance costs	(1,667)	(55)
General administration expenses	(30,627)	(29,990)
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Loss before income tax expense	(144,306)	(154,313)
Income tax expense	-	-
	<hr/>	<hr/>
Loss after income tax expense	(144,306)	(154,313)
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	(144,306)	(154,313)
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Earnings per Share	c	c
Basic from profit for the period:	(17.98)	(19.22)

The accompanying notes form part of these financial statements.

Buderim Community Enterprises Limited
ABN 28 136 810 074
Balance Sheet
as at 31 December 2011

	<u>Note</u>	31-Dec 2011 \$	30-Jun 2011 \$
ASSETS			
Current Assets			
Cash assets		500	29,338
Trade and other receivables		7,375	16,920
Total Current Assets		<u>7,875</u>	<u>46,258</u>
Non-Current Assets			
Property, plant and equipment		194,150	203,607
Intangible assets		71,500	82,500
Deferred tax asset		51,657	51,657
Total Non-Current Assets		<u>317,307</u>	<u>337,764</u>
Total Assets		<u>325,182</u>	<u>384,022</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		11,900	20,264
Borrowings	6	93,830	-
Total Current Liabilities		<u>105,730</u>	<u>20,264</u>
Total Liabilities		<u>105,730</u>	<u>20,264</u>
Net Assets		<u>219,452</u>	<u>363,758</u>
Equity			
Issued capital		765,372	765,372
Accumulated losses		(545,920)	(401,614)
Total Equity		<u>219,452</u>	<u>363,758</u>

The accompanying notes form part of these financial statements.

Buderim Community Enterprises Limited
ABN 28 136 810 074
Statement of Changes in Equity
for the half-year ended 31 December 2011

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2010	765,372	(118,623)	646,749
Total comprehensive income for the year	<u>-</u>	<u>(154,313)</u>	<u>(154,313)</u>
	765,372	(272,936)	492,436
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2010	<u>765,372</u>	<u>(272,936)</u>	<u>492,436</u>
Balance at 1 July 2011	765,372	(401,614)	363,758
Total comprehensive income for the year	<u>-</u>	<u>(144,306)</u>	<u>(144,306)</u>
	765,372	(545,920)	219,452
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2011	<u>765,372</u>	<u>(545,920)</u>	<u>219,452</u>

The accompanying notes form part of these financial statements.

Buderim Community Enterprises Limited
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Cash Flow Statement
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	124,669	116,657
Payments to suppliers and employees	(244,743)	(224,870)
Interest paid	(1,667)	(55)
Interest received	495	7,639
Net cash used in operating activities	<u>(121,246)</u>	<u>(100,629)</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(1,422)	(1,413)
Net cash used in investing activities	<u>(1,422)</u>	<u>(1,413)</u>
Net decrease in cash held	(122,668)	(102,042)
Cash at the beginning of the financial year	29,338	241,205
Cash at the end of the half-year	<u><u>(93,330)</u></u>	<u><u>139,163</u></u>

The accompanying notes form part of these financial statements.

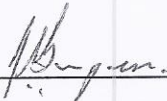
Buderim Community Enterprises Limited
ABN 28 136 810 074
Directors' Declaration

In the opinion of the directors of Buderim Community Enterprises Limited ("the company"):

- 1 The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2011 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- 2 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

This declaration is made in accordance with a resolution of the board of directors.



John Reginald Burgess, Chairman

Dated this 22nd day of February 2012.

Independent Auditor's Review Report to the Members of Buderim Community Enterprises Limited

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Buderim Community Enterprises Limited, which comprises the balance sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Buderim Community Enterprises Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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


Independence

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

Auditor's Opinion

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

- a) Giving a true and fair view of the company's financial position at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



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

Dated this 28th day of February 2012