

2008 annual report



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Chairman's report

For year ending 30 June 2008

With great pleasure I present, on behalf of the Directors, the 2008 Annual Report.

In so doing, I would like to thank and pay tribute to:

- Sue Dubbeld, our Manager, who has done a wonderful job in getting the business started.
- Sue's branch staff, who have all created a very friendly and professional atmosphere, and provided great service.
- Russ Carrick, and his regional staff, who provide us with great support.
- The Board of Directors, and the Steering Committee, for their voluntary contribution to the establishment and development of our **Community Bank**[®] branch.
- You, the shareholders, for having the foresight to make this exciting community venture possible.
- The community of Bunyip and district for supporting the venture with their banking business.

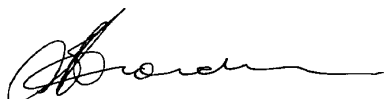
At the end of June 2008 we had been operating for just over nine months, and what an exciting time that has been. Much earlier than expected, we reached a monthly break even result, with business on the books of around \$30 million, which at this stage of our development is the envy of many other **Community Bank**[®] branches.

Already, with the support of Bendigo and Adelaide Bank, we have been able to distribute grants to 27 community organisations in our district.

But this is only the beginning. Your Directors are working to build the business to \$50 million and beyond, for it is only when we reach that level will we have sufficient profits to be able to make significant grants to the "not for profit" organisations in our community. Remember that the 200 plus **Community Bank**[®] branches across Australia have returned more than \$18.7 million in profits over the past 10 years for their communities.

Half the revenue created by our branch comes back to our district to pay the branch wages and expenses, dividends to you, the shareholders, and grants to community organisations. So your Directors urge you to support their work by placing as much business with the branch as you can, and by encouraging others to do so as well.

In our district there are so many exciting projects planned and underway, and so many organisations doing wonderful work, all of which are looking for, and deserving of our support. Your Directors are excited about the opportunities that lie ahead to make a worthwhile contribution, and are looking forward to your support.



Andrew Troedel
Chairman

Manager's report

For year ending 30 June 2008

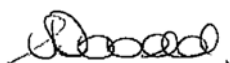
It is with great pride that I submit this report to the shareholders of Bunyip & District **Community Bank**[®] Branch. Our first full year of operation has gone by very quickly, the business is growing and we are continuing to meet budget expectations.

In the past 12 months we have opened 500 new accounts taking our total number of customers to more than 1000 and we have grown our total business to over \$30 million. We continue to average approximately 1530 over the counter transactions per month and the ATM is proving to be a great convenience to the community. In March we saw what the **Community Bank**[®] branch is all about and distributed \$13,000 to some of our local "not for profit" organisations.

My staff and I have settled into our roles and I would like to acknowledge their hard work and continuous effort in getting us to where we are today. A special thank you to – Customer Relationship Officer Krystal Lamble and Customer Service Officers Jenna Milner and Jess Falls.

We are keen to develop the relationship we have with our customers and shareholders and I encourage everyone to maximise their banking opportunities. Your **Community Bank**[®] branch has access to a broad range of products and services varying from home loans and credit cards to financial planning and insurance. We are more than happy to assist where ever possible. It is with this continued support that our business will grow and help us achieve bigger and better things for our community.

As an investor in your community and the Company, we seek your support as an advocate for the branch by encouraging family and friends to be supporters of your **Community Bank**[®] branch.



Sue Dubbeld
Branch Manager

Bendigo Bank Ltd report

For year ending 30 June 2008

Celebrating 10 years of the **Community Bank**[®] Network

June 2008 marks ten years since Bendigo Bank and the people of Rupanyup and Minyip unveiled the first **Community Bank**[®] branches in Australia, marking a turning point not only for the two small Victorian wheat belt towns, but for the Bendigo as well.

Today, these two towns have been joined by more than 210 communities to form Australia's fastest growing banking network – the **Community Bank**[®] concept. It is a significant milestone for Bendigo Bank and our **Community Bank**[®] partners.

The number of **Community Bank**[®] branches has doubled in the last four years and in the same time frame, customers have tripled their commitment of banking business to the community network, increasing it to more than \$11 billion.

More importantly, in excess of \$18 million in **Community Bank**[®] branch profits have been returned to community projects and \$12 million has been paid in dividends to more than 50,000 local shareholders. Behind those numbers are hundreds of stories of **Community Bank**[®] branches making a real difference to the lives of local people.

Whether it's building a community hall, sponsoring an art prize or even buying new footy jumpers for the local side – these **Community Bank**[®] branches are helping improve the economic and social prospects of their local communities. Add to those contributions the employment of more than 1000 staff members and daily expenses in the local economy and you have a truly meaningful contribution to those communities and to local prosperity.

As we reflect on the past 10 years, it's with a feeling of great pride and accomplishment for what has been achieved in partnership between our team at the Bendigo and our community partners. The landscape of banking has changed dramatically, but more importantly – so have the communities we partner and our own organisation.

Our partners have taken charge of outcomes locally that will impact positively for many years to come. Likewise, our organisation has built on our community focussed heritage and evolved to become a true partner to community.

Your commitment, enthusiasm and belief in the **Community Bank**[®] model has been instrumental, and for that we thank you. And here we are, only 10 years into this wonderful journey. Who knows what positive outcomes we'll be talking about in 10 years time, as the **Community Bank**[®] network matures?

It's an exciting prospect – and we are very proud of what our team and the communities we partner have achieved together.



Russell Jenkins

Chief General Manager Retail & Distribution

Directors' report

For year ending 30 June 2008

Your Directors submit their report of the Company for the financial period 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 period are:



Andrew Barnet Troedel

Chairman

Semi-Retired Farmer and Company Director

Andrew is a semi-retired farmer and has spent many years managing manufacturing businesses and farm tourism. In an earlier life he was a secondary school teacher and accountant. He is an active Board member for several companies.



Martin Francis Sayers

Director

Horticulturalist

Martin has lived all of his life in Bunyip. He has involvement at all levels of the protea industry over many years, and held Directorships and consultancies with government and private enterprise. Martin was awarded the Order of Australia medal in June 2007.



Alan Ernest Cole

Company Secretary

Semi-Retired Farmer

Alan has spent more than 40 years working in the public and community services area. He has been Secretary and Public Officer of the Board of Management of Hillview Bunyip Aged Care Inc for the past 15 years.

Alan was awarded the Order of Australia medal in January 2007 for services to the Landcare movement and community service within the Shire of Cardinia.



Lindsay Scott McNaught

Director

Art Restorer

Lindsay has lived in Tonimbuk for 26 years. He is actively involved in Bunyip Tennis Club, Bunyip Landcare Group and is a member of the team attempting to save the State of Victoria's emblem, the Helmeted Honeyeater.

Directors' report continued



William James Pearson

Director

Retired Accountant / Farmer

Bill is a long-time resident, qualified accountant, farmer, businessman and renowned community worker. Bill has been Secretary/treasurer of a number of local community groups including Bunyip Medical Centre, Hillview Bunyip Aged Care Inc, Bunyip Newsletter and Bunyip Tennis Club. He is currently Bunyip Ward Councillor of Cardinia Shire Council.



Margaret Ann Bardon

Director

Publican

Marg has worked as a primary level schoolteacher, hospitality and bookkeeper/payroll Officer. After years of involvement working with community groups Marg has returned to hospitality and is the popular publican of Bunyip's Top Pub.



James Joseph Fitzpatrick

Treasurer

Superannuation Consultant

Jim has been a resident of Bunyip for 20 years and has been involved with many community and sporting groups, particularly as his three children were growing up. Jim works in the area of superannuation consultancy, advising employers and trustees in relation to their corporate superannuation.



Jacqueline Jane Scull

Director

Farm Manager

Jacque has worked locally and overseas in diverse occupations ranging from large corporate finance roles to farming. Jacque has recently embarked in a career in Real Estate consultancy. Jacque is Secretary of Bunyip CFA as well as being a volunteer firefighter.



Francis William Regan (appointed 14 April 2008)

Director

Retired

Frank is a semi-retired farmer and has been a resident of Bunyip / Iona for more than 50 years. Frank worked for many years in finance and administrative roles for an international Company. He was a Board Member of Shelley Memorial Hospital until its closure and is currently a member of Bunyip Cemetery Trust.

Directors' report continued



Debra Wouters (appointed 15 April 2008)

Director

Retailer

Debra has lived in the Garfield and Tynong area for many years and has been active in the community. Her many roles have included volunteer coach of Garfield Junior Netball Club, Treasurer of Garfield Kindergarten and Garfield Netball Club. Presently, Debra is President of Garfield Traders Association and the owner of a retail businesses in Garfield and Bunyip.



Christine Anne Kelly (appointed 15 April 2008)

Director

Company Director

Chris has worked for a number of manufacturing companies, starting off as a cost clerk and being promoted to the position of Management Accountant / Office Manager. A lifestyle change has left Chris busier than ever. She is involved in a number of community groups including Bunyip CWA, Bunyip Singers, Treasurer / Booking Officer of Bunyip Hall and a member of the Board of Management of Hillview Bunyip Aged Care Inc.



Suzanne Beattie (appointed 18 April 2008)

Director

Bookkeeper

Sue is a long-time resident of Garfield and Bunyip and works primarily as a bookkeeper. Sue is also a qualified Real Estate Consultant and is an Executive Officer of several community groups including Hillview Bunyip Aged Care Inc and Bunyip Community Shop.

Antonio Arrigo (resigned 6 October 2008)

Director

Pottery Salesman

Steven Mitchell (resigned 18 April 2008)

Director

Veterinarian

Alan John Wright (resigned 23 January 2008)

Director

Senior Project Manager, Vision Stream P/L

Clive Leo Piper (resigned 6 October 2007)

Director

Retired

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

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

Directors' report continued

Principal activities

The principal activities of the Company during the course of the financial period were in providing **Community Bank**[®] services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Operating results

Operations have performed in line with expectations. The loss of the Company for the financial period after provision for income tax was \$202,737.

Dividends

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 period under review not otherwise disclosed in this report.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial 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, in future years.

Likely developments

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

Directors' benefits

No Director has received or become entitled to receive, during or since the financial period, 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 Managers 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 period were:

Number of meetings held:	26
<hr/>	
Number of meetings attended:	
<hr/>	
Andrew Barnet Troedel	25
<hr/>	
Antonio Arrigo (resigned 6 October 2008)	12
<hr/>	
Margaret Ann Bardon	23
<hr/>	
Alan Ernest Cole	26
<hr/>	
James Joseph Fitzpatrick	25
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Lindsay Scott McNaught	18
<hr/>	
Steven Mitchell (resigned 18 April 2008)	13
<hr/>	
William James Pearson	20
<hr/>	
Clive Leo Piper (resigned 6 October 2007)	18
<hr/>	
Martin Francis Sayers	25
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Jacqueline Jane Scull	20
<hr/>	
Alan John Wright (resigned 23 January 2008)	5
<hr/>	
Francis William Regan (appointed 14 April 2008)	3
<hr/>	
Suzanne Beattie (appointed 18 April 2008)	2
<hr/>	
Debra Wouters (appointed 15 April 2008)	2
<hr/>	
Christine Anne Kelly (appointed 15 April 2008)	2
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Company Secretary

Alan Cole has been the Company Secretary of Bunyip & District Community Enterprises Ltd since incorporation in 2007. His qualifications and experience include having spent more than 40 years working in the public and community services area. Alan was awarded an OAM in 2007 for services to the community and the environment.

Corporate governance

The Company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are James Fitzpatrick, William Pearson, Francis Regan and Jacqueline Scull;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Auditor independence declaration

The Directors received the following declaration from the Auditor of the Company:

Richmond Sinnott & Delahunty
Chartered Accountants

Richmond Sinnott & Delahunty
Chartered Accountants



Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty
Brett A Andrews

29 September 2008

The Directors
Bunyip & District Community Enterprises Ltd
18 Main Street
Bunyip Vic 3815

Dear Directors

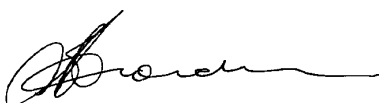
Auditor's Independence Declaration

In relation to our audit of the financial report of Bunyip & District Community Enterprises Ltd for the period ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Signed in accordance with a resolution of the Board of Directors at Bunyip on 29 September 2008.



Andrew Barnet Troedel
Director

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$
Revenue from ordinary activities	2	221,950
Employee benefits expense	3	(209,886)
Charitable donations and sponsorship		(11,937)
Depreciation and amortisation expense	3	(8,974)
Other expenses from ordinary activities		(236,703)
Profit/(loss) before income tax expense		(245,550)
Income tax expense / (benefit)	4	(42,813)
Profit/(loss) after income tax expense		(202,737)
Earnings per share (cents per share)		
- basic for profit / (loss) for the period	21	(30.03)
- diluted for profit / (loss) for the period	21	(30.03)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$
Current assets		
Cash assets	6	185,114
Receivables	7	34,328
Total current assets		219,442
Non-current assets		
Property, plant and equipment	8	225,584
Deferred income tax asset	4	42,813
Intangible assets	9	8,000
Total non-current assets		276,397
Total assets		495,839
Current liabilities		
Payables	10	32,138
Provisions	11	-
Total current liabilities		32,138
Total liabilities		32,138
Net assets		463,701
Equity		
Share capital	12	666,438
Retained earnings / (accumulated losses)	13	(202,737)
Total equity		463,701

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2008

	Note	2008 \$
Cash flows from operating activities		
Cash receipts in the course of operations		192,471
Cash payments in the course of operations		(444,406)
Interest received		13,169
Net cash flows from/(used in) operating activities	14b	(238,766)
Cash flows from investing activities		
Payment for intangible assets		(10,000)
Payments for property, plant and equipment		(232,558)
Net cash flows from/(used in) investing activities		(242,558)
Cash flows from financing activities		
Proceeds from issue of shares		675,009
Share issue costs		(8,571)
Net cash flows from/(used in) financing activities		666,438
Net increase/(decrease) in cash held		185,114
Add opening cash brought forward		-
Closing cash carried forward	14a	185,114

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Note	2008 \$
SHARE CAPITAL		
Ordinary shares		
Balance at start of period		-
Issue of share capital		675,009
Share issue costs		(8,571)
Balance at end of period		666,438
Retained earnings / (accumulated losses)		
Balance at start of period		-
Profit/(loss) after income tax expense		(202,737)
Dividends paid		-
Balance at end of period		(202,737)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Basis of preparation of the financial report

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report was authorised for issue by the Directors on 29 September 2008.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis for buildings and a diminishing value basis for plant & equipment over the estimated useful life of the asset as follows:

Class of asset	Depreciation rate
Buildings	2.5%
Plant & Equipment	15 - 18.7%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve is made to retained earnings for the depreciation relating to the revaluation surplus.

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Goods and services tax

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

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

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

Employee benefits

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

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. 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.

Interest bearing liabilities

All loans are 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 or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

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 capital

Issued and paid up capital is 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.

Comparative figures

The entity commenced operations during the period, hence there are no comparative figures.

2008
\$

Note 2. Revenue from ordinary activities

Operating activities

- services commissions	205,116
- other revenue	3,665
Total revenue from operating activities	208,781

Notes to the financial statements continued

	2008 \$
Note 2. Revenue from ordinary activities (continued)	
Non-operating activities:	
- interest received	13,169
- other revenue	-
Total revenue from non-operating activities	13,169
Total revenue from ordinary activities	221,950

Note 3. Expenses

Employee benefits expense	
- wages and salaries	167,602
- superannuation costs	13,814
- workers' compensation costs	545
- other costs	27,925
	209,886
Depreciation of non-current assets:	
- plant and equipment	2,919
- leasehold improvements	4,055
Amortisation of non-current assets:	
- intangibles	2,000
	8,974
Bad debts	30

Note 4. Income tax expense

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

Prima facie tax on profit/(loss) before income tax at 30%	(73,665)
Add tax effect of:	
- Non-deductible expenses	30,852
Current income tax expense	(42,813)
Income tax expense	(42,813)

Notes to the financial statements continued

2008
\$

Note 4. Income tax expense (continued)

Deferred income tax asset

Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.

42,813

Note 5. Auditors' remuneration

Amounts received or due and receivable by Richmond, Sinnott & Delahunty for:

- Audit or review of the financial report of the Company	2,700
- Completion of feasibility study	6,000
- Accounting work for prospectus	1,800
	10,500

Note 6. Cash assets

Cash at bank and on hand **185,114**

Note 7. Receivables

Trade debtors	31,459
Other debtors	2,869
	34,328

Note 8. Property, plant and equipment

Leasehold Improvements

At cost	216,603
Less accumulated depreciation	(4,055)
	212,548

Plant and equipment

At cost	15,955
Less accumulated depreciation	(2,919)
	13,036

Total written down amount **225,584**

Notes to the financial statements continued

	2008 \$
Note 8. Property, plant and equipment (continued)	
Movements in carrying amounts	
Leasehold Improvements	
Carrying amount at beginning of period	-
Additions	216,603
Disposals	-
Depreciation expense	(4,055)
Carrying amount at end of period	212,548
Plant and equipment	
Carrying amount at beginning of period	-
Additions	15,955
Disposals	-
Depreciation expense	(2,919)
Carrying amount at end of period	13,036

Note 9. Intangible assets

Franchise fee

At cost	10,000
Less accumulated amortisation	(2,000)
	8,000

Note 10. Payables

Trade creditors	26,383
Other creditors and accruals	5,755
	32,138

Notes to the financial statements continued

	2008 \$
Note 11. Provisions	
Employee benefits	-
Number of employees at period end	-

All branch staff are employees of Bendigo and Adelaide Bank Limited.

Note 12. Share capital

675,009 Ordinary Shares fully paid of \$1 each	675,009
Less: Equity raising costs	(8,571)
	666,438

All the above shares were issued during the period ended 30 June 2008.

Note 13. Retained earnings / (accumulated losses)

Balance at the beginning of the financial period	-
Profit/(loss) after income tax	(202,737)
Dividends	-
Balance at the end of the financial period	(202,737)

Note 14. Cash flow statement

(a) Reconciliation of cash

Cash assets	185,114
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(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

Profit / (loss) after income tax	(202,737)
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Non cash items

- Depreciation	6,974
- Amortisation	2,000

Notes to the financial statements continued

	2008 \$
Note 14. Cash flow statement (continued)	
Changes in assets and liabilities	
- (Increase) decrease in receivables	(34,328)
- (Increase) decrease in deferred income tax asset	(42,813)
- Increase (decrease) in payables	32,138
Net cash flows from/(used in) operating activities	(238,766)

Note 15. Director and related party disclosures

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

Andrew Barnet Troedel
Antonio Arrigo (resigned 6 October 2008)
Margaret Ann Bardon
Alan Ernest Cole
James Joseph Fitzpatrick
Lindsay Scott McNaught
Steven Mitchell (resigned 18 April 2008)
William James Pearson
Clive Leo Piper (resigned 6 October 2007)
Martin Francis Sayers
Jacqueline Jane Scull
Alan John Wright (resigned 23 January 2008)
Francis William Regan (appointed 14 April 2008)
Suzanne Beattie (appointed 18 April 2008)
Debra Wouters (appointed 15 April 2008)
Christine Anne Kelly (appointed 15 April 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.

Notes to the financial statements continued

Note 15. Director and related party disclosures (continued)

Directors shareholdings	2008
Andrew Barnet Troedel	8,001
Antonio Arrigo (resigned 6 October 2008)	1,001
Margaret Ann Bardon	2,001
Alan Ernest Cole	1,001
James Joseph Fitzpatrick	5,001
Lindsay Scott McNaught	5,000
Steven Mitchell (resigned 18 April 2008)	1,000
William James Pearson	1,500
Clive Leo Piper (resigned 6 October 2007)	-
Martin Francis Sayers	5,001
Jacqueline Jane Scull	2,001
Alan John Wright (resigned 23 January 2008)	1,001
Francis William Regan (appointed 14 April 2008)	4,000
Suzanne Beattie (appointed 18 April 2008)	2,000
Debra Wouters (appointed 15 April 2008)	-
Christine Anne Kelly (appointed 15 April 2008)	8,000

All shares were purchased during the period. Each share held has a paid up value of \$1 and is fully paid.

Note 16. Subsequent events

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

Note 17. Contingent liabilities

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

Note 18. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Bunyip, Victoria.

Notes to the financial statements continued

Note 19. Corporate information

Bunyip & District Community Enterprises Ltd is a Company limited by shares incorporated in Australia.

The registered office is: 5 High Street,
Bunyip, VIC 3815

The principal place of business is: 18 Main Street,
Bunyip, VIC 3815

2008
\$

Note 20. Dividends paid or provided for on ordinary shares

No dividends were paid or declared during the period.

Note 21. Earnings per share

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Profit/(loss) after income tax expense	(202,737)
Weighted average number of ordinary shares for basic and diluted earnings per share	675,009

Note 22. Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Notes to the financial statements continued

Note 22. Financial risk management (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables and cash assets.

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Balance Sheet and notes to the financial statements. The Company's maximum exposure to credit risk at reporting date was:

	Carrying amount 2008 \$
Cash assets	185,114
Receivables	34,328
	219,442

The Company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Ltd.

None of the assets of the Company are past due and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes to the financial statements continued

Note 22. Financial risk management (continued)

(b) Liquidity risk (continued)

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	1 year or less	over 1 to 5 years	more than 5 years
30 June 2008	\$	\$	\$	\$	\$
Payables	32,138	(32,138)	(32,138)	-	-
	32,138	(32,138)	(32,138)	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular Board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount 2008 \$
Fixed rate instruments	
Financial assets	178,556
Financial liabilities	-
	178,556
Variable rate instruments	
Financial assets	6,558
Financial liabilities	-
	6,558

Notes to the financial statements continued

Note 22. Financial risk management (continued)

(c) Market risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no impact on profit or retained earnings. This assumes all other variables remain constant.

(d) Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. The Company does not have any unrecognised financial instruments at period end.

(e) Capital management

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

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

(i) the Distribution Limit is the greater of:

(a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the period ended 30 June 2008 can be seen in the Income Statement.

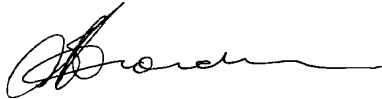
There were no changes in the Company's approach to capital management during the period.

Director's declaration

In accordance with a resolution of the Directors of Bunyip & District Community Enterprises Ltd, I 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 their performance for the period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001; 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.



Andrew Barnett Troedel
Director

Signed at Bunyip on 29 September 2008.

Independent audit report

Richmond Sinnott & Delahunty Chartered Accountants



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BUNYIP & DISTRICT COMMUNITY ENTERPRISES LTD

Partners:
Kenneth J Richmond
Warren J Sinnott
Phillip P Delahunty
Brett A Andrews

SCOPE

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Bunyip & District Community Enterprises Ltd, for the period ended 30 June 2008.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are established to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

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

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

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ABN 60 616 244 309

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Independent audit report continued

INDEPENDENCE

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Bunyip & District Community Enterprises Ltd is in accordance with:

- (a) 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 period ended on that date;
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W. J. Sinnott

W. J. SINNOTT
Partner
Bendigo

Date: 29 September 2008

Bunyip & District **Community Bank**[®] Branch
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Franchisee: Bunyip & District Community Enterprises Limited
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Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR8068) (09/08)