

2008 annual report



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Chairman's report

For year ending 30 June 2008

At the end of the financial year 2007/08 the Caloundra **Community Bank**[®] Branch has been open for fourteen months. It has been an exciting and encouraging time, but there have been a few challenges as well. The uncertainty of the failed Bank of Queensland takeover, the sub-prime housing collapse in the United States and rising interest rates have given the local and global economy a shake up. However, our parent Bendigo Bank is very well placed to weather these storms and its Board is to be congratulated for showing good leadership and a belief in the Bendigo Bank brand.

There have been a few changes in our own Board this financial year. Our inaugural Chairman, Ron Strong, handed over the reins to me and resigned from the Board. The Board wishes to thank Ron for his years of drive and dedication. From the initial planning, through all the Steering Committee and Feasibility Study stages, until the branch finally opened, Ron was a tower of enthusiasm.

The Directors wish to extend their condolences to the family of Bud Degotardi who passed away late last year. His presence is certainly missed on the Board.

Emma Bowhay joined our Board and brings a wealth of marketing experience as well as skills to assist Colin in his huge Treasurer's duties. I would like to welcome Emma aboard and look forward to her ideas and input.

The internal structure of the Board and its ability to function efficiently has also changed. Stewart Martin was elected unanimously to the now-vacant position of Vice Chairman and also to head up the Marketing and Sponsorship Committee and the Human Resources Committee. These committees meet regularly to assess ideas put to the Board, discuss them and return a recommendation to the Board. This allows the Board to make decisions on recommendations rather than on every individual item.

The Board would like to thank and congratulate our Manager, Rory Connolly, and his staff of Melissa, Michelle and Roxanne for working hard to promote our Branch to the wider community. With staff changes everyone has had to pick up the ball and run with it and their perseverance is paying off. We would also like to thank the Regional Manager, Garth Seymour and his Business Banking team for their work and assistance in building our business. Thanks again, team!

This year, Rory and I attended the National **Community Bank**[®] Conference held in Bendigo. All **Community Bank**[®] branches from around the country met to exchange ideas, tips and pitfalls from their own experience. This support network has proven to be a valuable tool especially in the areas of marketing and benchmarking our performance.

As we are still in the development phase of building our footings and income stream, the Board has decided not to pay a dividend this year. We are still supporting the community through grants and sponsorships and look forward to becoming profitable in the near future. As shareholders, you have an amazing opportunity to support your community and receive share dividends just by banking with us. So if you aren't currently banking with us, please come in and talk to the staff or make an appointment to see Rory, to allow them to help with your banking needs.

Community-it begins with U!



Craig Pullen
Chairman

Manager's report

For year ending 30 June 2008

Having now reached the milestone of fourteen months in operation, the Caloundra **Community Bank**[®] Branch is well on its way to becoming a profitable and successful enterprise. This would not be possible without the efforts of our staff, backing from our Board, huge support from the local Caloundra community, a number of our shareholders, our colleagues from other Sunshine Coast branches and our State Support team.

As at 30 June 2007 our footings were \$8.9m, which was a fantastic start for any new **Community Bank**[®]. Now at 30 June 2008 the figure stands at almost \$32m. This is a significant increase, one that is quite uncommon, especially after only thirteen months of operation. We believe that this is a tremendous result in this initial period and one all of us can be very proud of.

Of course we cannot rest on these past achievements and we need to continue to strive toward that ultimate point in our business where we become profitable and are in a position to give something substantial back to our community and just as importantly, pay a dividend to our shareholders. It would give us great pleasure to be in this position and will hopefully be the start of a great community partnership.

The Board members have been very active in their roles to support the bank and have formed a number of committees to concentrate on the various aspects of the **Community Bank**[®] concept. They are to be commended for their efforts, considering they all give their time voluntarily.

We continue to make presentations to local businesses and community groups and are always looking for opportunities to further spread the Bendigo Bank brand and presence in Caloundra. Our **Community Bank**[®] Branch staff is a great team and has a genuine desire to help customers with their day to day banking, finance and insurance needs.

Unfortunately one of our team members left us at the end of the financial year which placed a significant increased pressure on our resources. Our branch staff, Roxanne, Michelle and Melissa showed their ongoing support and worth to our branch this financial year, each accepting a higher level of responsibility to ensure the operations of the bank were not affected by the departure of a staff member. All three constantly display a very friendly disposition and have become very popular with all of the customers. Their input is a major component in our current and future success.

To our shareholders and current customers, I thank you for your loyalty and support. Without you individually we would not have achieved our results to date. To those who are yet to become our customers, I urge you to become involved in our growth. Our success depends solely on the support received from the surrounding community, especially our shareholders. On behalf of the Company I extend to you all an invitation to experience the Bendigo way.

With all of the staff committed as they are to the success of the branch and the support of the Directors and shareholders both present and in the future, I remain very optimistic for our success.



Rory J Connolly
Branch Manager

Directors' report

For year ending 30 June 2008

Your Directors present their report on the Company for the 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 are:

Craig Leon Pullen

Chairman

Age: 39

Veterinary Surgeon

Director of the Suncoast Animal Hospital. Past President of the Qld Division of the Australian Veterinary Association. Experienced Referee and Coach of Rugby (School level).

Interests in shares: 4,001

John Colin Rose

Treasurer

Age: 67

Retired

22 years experience in the RAAF. Experience as an Operations Manager for a large flower/bulb farming business. Involved in leadership roles in community organisations/clubs. Treasurer to the Board

Interests in shares: 7,501

Stephen Jon Hall

Secretary

Age: 46

Teacher

Experience in School Administration over 23 years. Leadership role in schools (Principal, Deputy). Involved in leadership roles in community organisations/clubs. Company Secretary.

Interests in shares: 2,001

Stewart Robert Martin

Vice Chairman

Age: 50

Restaurateur

Contract Fitter for a number of NSW power stations. Various management roles for Queensland CSR. Member of several Sugar Industry Advisory Groups. Currently owner/Manager of Restaurants in Caloundra.

Interests in shares: 1,001

Dennis Blumenthal

Director

Age: 71

Retired

16 years experience in RAN & Reserves (Dental Branch). Experience in Management (Motel) and Sales/Business (Real Estate). Qualified Dental Prosthetist. Held leadership positions in the Coast Guard Caloundra.

Interests in shares: 12,001

Margaret Ann Rattle

Director

Age: 70

Retired

40 years experience in the finance sector. Involvement in community organisations (Rotary) and sporting groups. Previously a "Keep Fit" Instructor for the Queensland Keep Fit Association.

Interests in shares: 1,001

Directors' report continued

Rex Barnes

Director
Age: 58
Licensed Plumber
Business owner for 29 years
Past President of Caloundra City Water Polo Club

Interests in shares: 1

Ronald Vincent Strong

Director (Resigned 26 June 2008)
Age: 60
Retired
Experience through involvement in various clubs and organisations. Previously a Supervising Police Inspector Strategic Leadership & Development (Qld Police Force). Director of CADET Training and Development. Chairman of the Board
Interests in shares: 9,001

Neil Thomas Behm

Director (Appointed 23 August 2007)
Age: 64
Retired
Former Superintendent of Police.
Involvement over many years with Junior Sporting Groups, Aged Care, Community Groups and Service organisations.

Interests in shares: 1,001

Boyne (Bud) Degotardi

Director (Resigned 21 November 2007)
Age: 77
Retired
Owner/operator of a Surveying and Civil Engineering practice. Secretary of a Property Development Company. Previously a Councillor for Great Lakes Council (NSW). Leadership roles of various community clubs and associations.
Interests in shares: 15,001

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

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

Company Secretary

The Company Secretary is Stephen Jon Hall. He was appointed to the position of Secretary on 9 November 2006. Stephen holds a Diploma of Teaching as well as a Bachelor of Education. He has worked for Education Queensland over the past 26 years, 23 years of that being in School Administration. Stephen has been involved in Human Resource Management, Staff Review, Training and Development, Behaviour Management, Program Co-ordination/Management, Budgeting, Annual Review processes, Annual Operational Planning, Curriculum Co-ordination, School - Community Programs and general School operations.

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.

Directors' report continued

Operating results

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

Year ended 30 June 2008	Year ended 30 June 2007
\$ (160,300)	\$ (142,817)

Remuneration report

(a) Remuneration of Directors

All Directors of the Company are on a voluntary basis, therefore no remuneration guidelines have been prepared.

(b) Remuneration of Area and Branch Managers

The Board is responsible for the determination of remuneration packages and policies applicable to the Branch Manager and all the staff. The Branch Manager is invited to the Board meetings as required to discuss performance and remuneration packages.

The Board's policy in respect of the branch Manager is to maintain remuneration at parity within the **Community Bank®** network and local market rates for comparable roles.

There are no executives who are directly accountable and responsible for the strategic direction and operational management of the entity. This is wholly a Board role.

There are therefore no Specified Executives.

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.

Directors' report continued

Environmental regulation

The Company is not subject to any significant environmental regulation.

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 meetings eligible to attend	Number attended
Craig Leon Pullen	12	9
John Colin Rose	12	10
Stephen Jon Hall	12	12
Dennis Blumenthal	12	9
Stewart Robert Martin	12	10
Margaret Ann Rattle	12	11
Rex Barnes	12	7
Neil Thomas Behm (Appointed 23 August 2007)	12	8
Ronald Vincent Strong (Resigned 26 June 2008)	12	9
Boyne (Bud) Degotardi (Resigned 21 November 2007)	12	2

Directors' report continued

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 9.

Signed in accordance with a resolution of the Board of Directors at Caloundra, Queensland on 18 September 2008.



Craig Leon Pullen, Chairman



Stephen Jon Hall, Secretary

Directors' report continued



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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Caloundra City Community Support Services 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 18th day of September 2008

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	3	204,025	9,554
Salaries and employee benefits expense		(245,318)	(154,585)
Advertising and promotion expenses		(7,504)	(2,714)
Occupancy and associated costs		(58,936)	(30,629)
Systems costs		(35,429)	(6,242)
Depreciation and amortisation expense	4	(22,424)	(7,122)
General administration expenses		(65,405)	(15,551)
Loss before income tax credit		(230,990)	(207,289)
Income tax credit	5	70,690	64,472
Loss for the period		(160,300)	(142,817)
Loss attributable to members of the entity		(160,300)	(142,817)
Earnings per share (cents per share)		c	c
- basic for profit for the year	18	(20.54)	(18.48)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
Assets			
Current assets			
Cash assets	6	106,824	327,423
Trade and other receivables	7	7,806	47,438
Total current assets		114,630	374,861
Non-current assets			
Property, plant and equipment	8	207,596	210,925
Intangible assets	9	7,667	9,667
Deferred tax assets	10	135,162	64,472
Total non-current assets		350,425	285,064
Total assets		465,055	659,925
Liabilities			
Current liabilities			
Trade and other payables	11	16,995	60,865
Total current liabilities		16,995	60,865
Total liabilities		16,995	60,865
Net assets		448,060	599,060
Equity			
Contributed equity	12	751,177	741,877
Accumulated losses	13	(303,117)	(142,817)
Total equity		448,060	599,060

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from customers		185,352	2,837
Payments to suppliers and employees		(416,387)	(221,854)
Interest received		18,231	518
Net cash outflow from operating activities	14	(212,804)	(218,499)
Cash flows from investing activities			
Payment for intangible assets		-	(10,000)
Payments for property plant and equipment		(17,096)	(200,898)
Net cash outflow from investing activities		(17,096)	(210,898)
Cash flows from financing activities			
Proceeds from issue of shares		9,300	761,485
Payment of share issue costs			(4,665)
Net cash inflow from financing activities		9,300	756,820
Net increase in cash held		(220,600)	327,423
Cash at the beginning of the financial year		327,423	-
Cash at the end of the financial year	6(a)	106,823	327,423

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Note	2008 \$	2007 \$
Total equity at the beginning of the period		599,060	-
Net loss for the period		(160,300)	(142,817)
Net income/expense recognised directly in equity		-	-
Dividends provided for or paid		-	-
Shares issued during period		9,300	772,871
Costs of issuing shares		-	(30,994)
Total equity at the end of the period		448,060	599,060

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.

Notes to the financial statements continued

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.

Employee entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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

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

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

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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 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 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.

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.

Notes to the financial statements continued

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 \$	2007 \$
Note 3. Revenue from ordinary activities		
Operating activities		
- services commissions	185,301	6,893
- other revenue	51	390
Total revenue from operating activities	185,352	7,283
Non-operating activities:		
- interest received	18,673	2,271 -
Total revenue from non-operating activities	18,673	2,271 -
Total revenue from ordinary activities	204,025	9,554 -

Note 3. Expenses

Employee benefits expense		
- plant and equipment	10,716	5,247
- leasehold improvements	9,708	1,542
Amortisation of non-current assets:		
- franchise agreement	2,000	333
	22,424	7,122
Finance costs:		
- interest paid	-	78

Notes to the financial statements continued

	2008 \$	2007 \$
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Note 5. Income tax expense

The components of tax expense comprise:

- Current tax	-	-
- Deferred tax on provisions	-	-
- Recoupment of prior year tax losses	-	-
- Future income tax benefit attributable to losses	(70,690)	(64,472)
- Under/over provision in respect to prior years	(70,690)	(64,472)

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

Operating profit/(loss)	(230,990)	(207,289)
Prima facie tax on profit/(loss) from ordinary activities at 30%	(69,297)	(62,187)
Add tax effect of:		
- non-deductible expenses	600	100
- timing difference expenses	(133)	(526)
- other deductible expenses	(1,860)	(1,859)
Current tax	(70,690)	(64,472)
Movement in deferred tax	10.	-
	(70,690)	(64,472)

Note 6. Cash assets

Cash at bank and on hand	9,735	77,423
Investment account	97,088	250,000
	106,824	327,423

The above figures are reconciled to costs at the end of the financial year as shown in the statement of cashflows.

6(a). Reconciliation of cash

Cash at bank and on hand	9,735	77,423
Investment account	97,088	250,000
	106,824	327,423

Notes to the financial statements continued

	2008 \$	2007 \$
Note 7. Trade and other receivables		
Trade receivables	7,806	47,438

Note 8. Property, plant and equipment

Plant and equipment

At cost	77,894	60,799
Less accumulated depreciation	(15,963)	(5,247)
	61,931	55,552

Leasehold improvements

At cost	156,915	156,915
Less accumulated depreciation	(11,250)	(1,542)
	145,665	155,373

Total written down amount	207,596	210,925
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Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	55,552	-
Additions	17,095	60,799
Disposals	-	-
Less: depreciation expense	(10,716)	(5,247)
Carrying amount at end	61,931	55,552

Leasehold improvements

Carrying amount at beginning	155,373	-
Additions	-	156,915
Disposals	-	-
Less: depreciation expense	(9,708)	(1,542)
Carrying amount at end	145,665	155,373
Total written down amount	207,596	210,925

Notes to the financial statements continued

	2008 \$	2007 \$
Note 9. Intangible assets		
Franchise Fee		
At cost	10,000	10,000
Less: accumulated amortisation	(2,333)	(333)
	7,667	9,667

Note 10. Deferred tax

- Opening Balance	64,472	-
Future income tax benefits attributable to losses	70,690	64,472
Recoupment of prior year tax losses	-	-
Deferred tax on provisions	-	-
- Closing Balance	135,162	64,472

Note 11. Trade and other payables

Trade Creditors	14,965	47,415
Other creditors & accruals	2,000	13,450
	16,965	60,865

Note 12. Contributed equity

782,171 Ordinary shares fully paid of \$1 each (2007: 772,871)	782,171	772,871
Less: equity raising expenses	(30,994)	(30,994)
	751,177	741,877

Note 13. Accumulated losses

Balance at the beginning of the financial year	(142,817)	-
Net loss from ordinary activities after income tax	(160,300)	(142,817)
Dividends paid	-	-
Balance at the end of the financial year	(303,117)	(142,817)

Notes to the financial statements continued

	2008 \$	2007 \$
Note 14. Statement of cashflows		
Reconciliation of loss from ordinary activities after tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(160,300)	(142,817)
Non cash items:		
- depreciation	20,424	6,789
- amortisation	2,000	333
Changes in assets and liabilities:		
- (increase)/decrease in receivables	39,632	(45,757)
- (increase)/decrease in other assets	(70,690)	(64,472)
- increase/(decrease) in payables	(43,870)	27,425
Net cashflows used in operating activities	(212,804)	(218,499)

Note 15. Auditors' remuneration

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

- audit & review services	3,000	2,000
- non audit services	2,106	3,000
	5,106	5,000

Notes to the financial statements continued

Note 16. Director and related party disclosures

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

Craig Leon Pullen

John Colin Rose

Stephen Jon Hall

Dennis Blumenthal

Stewart Robert Martin

Margaret Ann Rattle

Rex Barnes

Neil Thomas Behm (Appointed 23 August 2007)

Ronald Vincent Strong (Resigned 26 June 2008)

Boyne (Bud) Degotardi (Resigned 21 November 2007)

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.

Directors shareholdings	2008	2007
Craig Leon Pullen	4,001	4,001
John Colin Rose	7,501	7,501
Stephen Jon Hall	2,001	2,001
Dennis Blumenthal	12,001	12,001
Stewart Robert Martin	1,001	1,001
Margaret Ann Rattle	501	501
Rex Barnes	1	1
Neil Thomas Behm (Appointed 23 August 2007)	1,001	-
Ronald Vincent Strong (Resigned 26 June 2008)	9,001	9,001
Boyne (Bud) Degotardi (Resigned 21 November 2007)	15,001	15,001

There was no movement in Directors shareholdings during the year. Each share held is valued at \$1.

Notes to the financial statements continued

Note 17. 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.

	2008	2007
	\$	\$

Note 18. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share

	(160,300)	(142,817)
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	2008	2007
	Number	Number

(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share

	780,326	772,871
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Note 19. 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 20. Contingent liabilities

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

Note 21. Segment reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Caloundra, Queensland.

Note 22. Registered office/Principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
Shop 1/99 Bulcock Street	Shop 1/99 Bulcock Street
Caloundra QLD 4551	Caloundra QLD 4551

Notes to the financial statements continued

Note 23. 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.

Interest rate risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash assets	9,735	77,423	-	-	-	-	-	-	-	-	2.33	0.05
Select Mortgage	97,088	250,000	-	-	-	-	-	-	-	-	6.54	6.39
Receivables	-	-	-	-	-	-	-	-	7,806	47,438	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	16,995	60,865	N/A	N/A

Director's declaration

In accordance with a resolution of the Directors of Caloundra City Community Support Services 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.
- b) 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.



Craig Leon Pullen, Chairman



Stephen Jon Hall, Secretary

Signed on the 18th of September 2008.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT

To the members of Caloundra City Community Support Services Limited

We have audited the accompanying financial report of Caloundra City Community Support Services 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 directors' 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 directors' 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.

Liability limited by a scheme approved under Professional Standards Legislation

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 directors' 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 Caloundra City Community Support Services 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 directors' report comply with Accounting Standards AASB 124 Related Party Disclosures.



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

Dated this 18th day of September 2008

Caloundra **Community Bank**[®] Branch
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Franchisee: Caloundra City Community Support Services Limited
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Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
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