

2008 annual report



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Chairman's report

For year ending 30 June 2008

It is with great pleasure that I present the first Annual Report for the Cardwell **Community Bank**[®] Branch.

The vision for our **Community Bank**[®] branch started in early 2005 when a steering committee formed to start the process of pledging community support and thereby gauging the viability of the project. After several slow periods we reached our target of \$600,000. The feasibility study then commenced, again to provide information that a bank would survive and prosper in our community. The study was checked by independent Auditors and the results were given to Bendigo Bank who gave us the green light to proceed.

A prospectus compiled from information provided in the feasibility study was prepared and launched with enormous support from the community raising more than \$700,000 in cash from local residents. This was the formation of our shareholder's register. On raising this money the location was selected for our branch and the fit out commenced in November 2007. Staff were selected and trained and our branch opened on 22 January, 2008.

Our progress has been better than our prospectus models and we continue to strive to reach our break even point in the near future. My personal thanks go to all members of the steering committee, without their contributions of time and energy our bank would not be here today.

To all our wonderful staff who are the face of our **Community Bank**[®] branch a huge thank you. You are doing a fantastic job.

To the Board, a special thanks for your constructive input into our meetings. We are gathering a fine team who will continue to lead our bank into the future.

To the community, you have your **Community Bank**[®] branch. Your involvement in this dream has become a reality and with your continuing support will see this bank put some financial support back into the community which is the concept we strove for with social and economic benefits.

To the shareholders, thank you for your purchase of shares, this is your **Community Bank**[®] branch and we all look forward to a positive financial return on your investments.

Finally, to Bendigo Bank, thank you for the opportunity to bring this amazing concept to Cardwell. Without your vision we would not have a **Community Bank**[®] and the opportunity to direct our profits back into the community.

I commend this **Community Bank**[®] branch to the local community and with your continuing support we shall see our dream come true with great social and economic benefits for Cardwell.



Dave Churton
Chairman

Manager's report

For year ending 30 June 2008

The business of the Cardwell **Community Bank**[®] Branch has grown steadily each month since the branch opened on 22 January 2008.

The following is a summary of the business presently on the branch books:-

81 Loan Accounts	Total Outstanding	\$5,033,502
735 Deposit Accounts	Total Balances	\$6,141,688
Total Business Footings		\$11,175,190

Lending

Although home loans make up the bulk of the lending, there are a number of business loans in this total.

The lending pipeline (ie. loans in progress) presently stands at approx \$5,000,000 including several large business loans. This augers well for the continued growth of Cardwell **Community Bank**[®] Branch.

Deposits

Term deposits make up the bulk of the deposit funds, with approximately \$8,000,000 being held in this product for various terms. The remaining deposit funds are held in statement and passbook savings account products.

Insurance

The branch has been quite successful in the marketing of insurance products with compulsory third party motor insurance being the most common insurance product sold. Loan insurance, house and contents and comprehensive car and boat policies make up the remainder of the insurance sales.

Staff

Staffing has been relatively stable since the opening of the branch. The only change seen in this period was the resignation of one part time CSO and the recruitment of Davina Evans to fill the vacancy.

Acknowledgements

I would like to take this opportunity to thank the branch team and the Directors for all their efforts and their support during the past year.



G. R. Smart
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:

David Harold Churton

Chairman

Age: 66

Occupation: Investor

Darryl Edward Baillie

Secretary

Age: 51

Occupation: Electrical Contractor

Sandra Elizabeth Carmichael

Treasurer (Appointed 19 December 2007)

Age: 57

Occupation: Finance Officer

Barry John Lansdown

Director

Age: 61

Occupation: Retired

Karen Margaret Mossop

Director

Age: 42

Occupation: Fruit & Vegetable Retailer

Rosamond Elizabeth Oellermann

Director

Age: 63

Occupation: Retired

Peter Francis O'Loughlin

Director

Age: 51

Occupation: Property Consultant

Alan Peter Rowe

Director

Age: 58

Occupation: Supermarket Owner

Gordon Alexander Tuffley

Director

Age: 59

Occupation: Retired School Principal

Lauran Mary Baillie

Director (Appointed 28 July 2008)

Age: 50

Occupation: Secretary

Claus Peter Josef Paul Wazlawek

Director (Appointed 28 July 2008)

Age: 57

Occupation: Business Proprietor

David Murray Blades

Director (Resigned 28 July 2008)

Age: 42

Occupation: Project Sales Manager

Christopher Charles Knight

Director (Resigned 19 December 2007)

Age: 55

Occupation: Business Manager

Directors were in office since the registration date of 15 August 2007 unless otherwise stated.

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

Directors' report continued

Company Secretary

The Company Secretary is Darryl Edward Baillie. Darryl was appointed to the position of Secretary on 28 July 2008 to replace previous Secretary David Blades. He is currently Company Secretary for two private companies.

Principal activities

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

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

Operating results

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

Year ended 30 June 2008 \$
(173,239)

Dividends

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments

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

Environmental regulation

The Company is not subject to any significant environmental regulation.

Directors' 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

Directors' report continued

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.

Remuneration report

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.

Directors meetings

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

	Number of board meetings eligible to attend	Number attended:
David Harold Churton	5	5
Darryl Edward Baillie	5	5
Sandra Elizabeth Carmichael (Appointed 19 December 2007)	5	5
Barry John Lansdown	5	3
Karen Margaret Mossop	5	5
Rosamond Elizabeth Oellermann	5	4
Peter Francis O'Loughlin	5	2
Alan Peter Rowe	5	4
Gordon Alexander Tuffley	5	4
Lauran Mary Baillie (Appointed 28 July 2008)	-	-
Claus Peter Josef Paul Wazlawek (Appointed 28 July 2008)	-	-
David Murray Blades (Resigned 28 July 2008)	5	3
Christopher Charles Knight (Resigned 7 November 2007)	5	-

Note: Attendance at Board Meetings between incorporation on 15 August 2007 and 22 February 2008 where not recorded. Meetings were held on a regular basis during this period.

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 8.

Signed in accordance with a resolution of the Board of Directors at Cardwell, Queensland on 23 September 2008.



David Harold Churton, Chairman



Darryl Edward Baillie, Secretary

Directors' report continued



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ABN 51 061 795 337

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

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

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

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 23rd day of September 2008

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Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$
Revenues from ordinary activities	3	62,914
Salaries and employee benefits expense		(224,823)
Advertising and promotion expenses		(9,078)
Occupancy and associated costs		(5,167)
Systems costs		(11,458)
Depreciation and amortisation expense	4	(10,079)
General administration expenses		(52,130)
Loss before income tax credit		(249,821)
Income tax credit	5	76,582
Loss for the period		(173,239)
Loss attributable to members of the entity		(173,239)
Earnings per share (cents per share)		c
- basic for profit for the year	19	(24.08)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$
ASSETS		
Current assets		
Cash assets	6	206,156
Trade and other receivables	7	48,112
Total current assets		254,268
Non-current assets		
Property, plant and equipment	8	209,164
Intangible assets	9	9,000
Deferred tax assets	10	76,582
Total non-current assets		294,746
Total assets		549,014
LIABILITIES		
Current liabilities		
Trade and other payables	11	28,482
Provisions	12	6,860
Total current liabilities		35,342
Total liabilities		35,342
Net assets		513,672
Equity		
Issued capital	13	686,911
Accumulated losses	14	(173,239)
Total equity		513,672

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		
Receipts from customers		43,360
Payments to suppliers and employees		(305,743)
Interest received		6,639
Net cash used in operating activities	15	(255,744)
Cash flows from investing activities		
Payments for property, plant and equipment		(218,243)
Payments for intangible assets		(10,000)
Net cash used in investing activities		(228,243)
Cash flows from financing activities		
Proceeds from issues of equity securities		719,500
Payment for share issue costs		(29,357)
Net cash provided by financing activities		690,143
Net increase in cash held		206,156
Cash at the beginning of the financial year		-
Cash at the end of the half-year	6(a)	206,156

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Note	2008
Total equity at the beginning of the period		-
Net loss for the period		(173,239)
Net income/expense recognised directly in equity		-
Dividends provided for or paid		-
Shares issued during period		719,500
Costs of issuing shares		(32,589)
Total equity at the end of the period		513,672

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

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Intangibles

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

Cash

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

Comparative figures

The Company was incorporated on 15 August 2007 therefore there were no operations during the year ending 30 June 2007.

Property, plant and equipment

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

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

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

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

Critical accounting estimates and judgements

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

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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 \$
Note 3. Revenue from ordinary activities	
Operating activities:	
- services commissions	45,373
- other revenue	8,797
Total revenue from operating activities	54,170
Non-operating activities:	
- interest received	8,744
Total revenue from non-operating activities	8,744
Total revenues from ordinary activities	62,914

Note 4. Expenses

Depreciation of non-current assets:	
- plant and equipment	2,504
- leasehold improvements	6,575
Amortisation of non-current assets:	
- franchise agreement	1,000
	10,079
Finance costs:	
- interest paid	9

Notes to the financial statements continued

2008
\$

Note 5. Income tax expense

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

Operating loss	(249,821)
Prima facie tax on loss from ordinary activities at 30%	(74,946)
Add tax effect of:	
- non-deductible expenses	320
- timing difference expenses	1,426
- other deductible expenses	(1,955)
Current tax	75,155
Movement in deferred tax	10. 1,427
	76,582

Note 6. Cash assets

Cash at bank and on hand	86,156
Term Deposits	120,000
	206,156

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

6(a) Reconciliation of cash

Cash at bank and on hand	86,156
Term deposit	120,000
	206,156

Note 7. Trade and other receivables

Trade receivables	43,334
Prepayments	4,778
	48,112

Notes to the financial statements continued

	2008 \$
Note 8. Property, plant and equipment	
Plant and equipment	
At cost	21,847
Less accumulated depreciation	(2,504)
	19,343
Leasehold improvements	
At cost	196,396
Less accumulated depreciation	(6,575)
	189,821
Total written down amount	209,164
Movements in carrying amounts:	
Plant and equipment	
Carrying amount at beginning	-
Additions	21,847
Disposals	-
Less: depreciation expense	(2,504)
Carrying amount at end	19,343
Leasehold improvements	
Carrying amount at beginning	-
Additions	196,396
Disposals	-
Less: depreciation expense	(6,575)
Carrying amount at end	189,821
Total written down amount	209,164

Notes to the financial statements continued

2008
\$

Note 9. Intangible assets

Franchise fee

At cost	10,000
Less: accumulated amortisation	(1,000)
	9,000

Note 10. Deferred tax

Deferred tax asset

Opening balance	-
Future income tax benefits attributable to losses	75,155
Deferred tax on provisions	1,427
- Closing balance	76,582

Note 11. Trade and other payables

Trade creditors	26,482
Other creditors & accruals	2,000
	28,482

Note 12. Provisions

Employee provisions	6,860
Number of employees at year end	4

Note 13. Contributed equity

10 Ordinary shares fully paid of \$1 each	719,500
Less: equity raising expenses	(32,589)
	686,911

Notes to the financial statements continued

	2008 \$
Note 14. Accumulated losses	
Balance at the beginning of the financial year	-
Net loss from ordinary activities after income tax	(173,239)
Dividends Paid	-
Balance at the end of the financial year	(173,239)

Note 15. 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	(173,239)
Non cash items:	
- depreciation	8,079
- amortisation	2,000
Changes in assets and liabilities:	
- (increase)/decrease in receivables	(48,112)
- (increase)/decrease in other assets	(76,582)
- increase/(decrease) in payables	25,250
-increase/(decrease) in provisions	6,860
Net cashflows used in operating activities	(255,744)

Note 16. Auditors' remuneration

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

- audit & review services	3,000
- non audit services	18,396
	21,396

Notes to the financial statements continued

Note 17. Director and related party disclosures

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

David Harold Churton

Darryl Edward Baillie

Sandra Elizabeth Carmichael (Appointed 19 December 2007)

Barry John Lansdown

Karen Margaret Mossop

Rosamond Elizabeth Oellermann

Peter Francis O'Loughlin

Alan Peter Rowe

Gordon Alexander Tuffley

Lauran Mary Baillie (Appointed 28 July 2008)

Claus Peter Josef Paul Wazlawek (Appointed 28 July 2008)

David Murray Blades (Resigned 28 July 2008)

Christopher Charles Knight (Resigned 7 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
David Harold Churton	5,001
Darryl Edward Baillie	34,051
Sandra Elizabeth Carmichael (Appointed 19 December 2007)	-
Barry John Lansdown	22,001
Karen Margaret Mossop	5,001
Rosamond Elizabeth Oellermann	3,001
Peter Francis O'Loughlin	1
Alan Peter Rowe	26,001
Gordon Alexander Tuffley	7,001
Lauran Mary Baillie (Appointed 28 July 2008)	34,050
Claus Peter Josef Paul Wazlawek (Appointed 28 July 2008)	1,000
David Murray Blades (Resigned 28 July 2008)	1
Christopher Charles Knight (Resigned 7 November 2007)	1,001

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

Notes to the financial statements continued

Note 18. Key management personnel disclosures

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

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

2008
\$

Note 19. Earnings per share

(a) Loss attributable to the ordinary equity holders of the

Company used in calculating earnings per share (173,239)

2008
Number

(b) Weighted average number of ordinary shares used as the

denominator in calculating basic earnings per share 719,500

Note 20. Events occurring after the balance sheet date

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

Note 21. Contingent liabilities

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

Note 22. Segment reporting

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

Note 23. Registered office/Principal place of business

The registered office and principal place of business is:

Registered office

79-81 Victoria Street
Cardwell QLD 4849

Principal place of business

79-81 Victoria Street
Cardwell QLD 4849

Notes to the financial statements continued

24. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial

Position. The Company does not have any unrecognised financial instruments at the year end.

Credit risk

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

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

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 \$	2008 \$	2008 \$	2008 \$	2008 \$	2008 %
Financial assets						
Cash assets	86,146	-	-	-	-	0.05
Term deposit	-	120,000	-	-	-	7.87
Receivables	-	-	-	-	48,112	N/A
Financial liabilities						
Payables	-	-	-	-	28,482	N/A

Directors' declaration

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

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

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



David Harold Churton, Chairman



Darryl Edward Baillie, Secretary

Signed on the 28th of September 2008.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT

To the members of Cardwell & District Community Enterprises Limited

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

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 Cardwell & District Community Enterprises Limited as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2) The financial report also complies with International financial reporting standards as disclosed in Note 1.
- 3) The remuneration disclosures that are contained in the directors' report comply with Accounting Standards AASB 124 Related Party Disclosures.



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

Dated this 23rd day of September 2008

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