

Annual Report 2007

Coleambally Finance Group Ltd.
ABN 52 086 241 509

COLEAMBALLY FINANCE GROUP LIMITED

A.B.N. 52 086 241 509

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Coleambally Finance Group Ltd ABN 52 086 241 509
Registered Office: 1 Brolga Place, Coleambally

Chairman: Mr A J Howe

P O Box 110
Coleambally NSW 2707

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ninth ANNUAL GENERAL MEETING of COLEAMBALLY FINANCE GROUP LTD will be held at the Coleambally Bowling Club on Thursday, 22 November 2007 at 7:00 p.m.

AGENDA

1. **Minutes of Annual General Meeting dated 23 November 2006.**
2. **Ordinary Business**

Chairman's Report

The Chairman, Mr A J Howe will present his report on the operations of the Company for the year ended 30 June 2007.

Adoption of Accounts

To receive and consider the financial statements and reports to the contributors comprising:

1. The Profit and Loss accounts for the year ended 30 June 2007 and Balance Sheet of the Company as at 30 June 2007.
2. The Directors' declaration and report by auditors for the financial year ended 30 June 2007.
3. The Directors' report for the financial year ended 30 June 2007.

Election of Directors

To elect three (3) Directors:

Mrs S E Sutherland, Mr J C Smith and Mr A J Hayes retire in accordance with the provisions of the constitution and being eligible, may offer themselves for re-election.

3. **General Business**

To transact any business that may be lawfully brought forward.

By Order of the Board

John C Smith
Secretary
13 September 2007

Notes:

1. Mrs S E Sutherland, Mr J C Smith and Mr A J Hayes will retire under Section 45 of the Constitution of Coleambally Finance Group Ltd and have indicated they will seek re-election.
2. As per the company constitution any two members of the company shall be at liberty to nominate any other member to serve as an office-bearer or other Director.
3. Nomination and Consent to Act forms may be collected from the Coleambally Community Bank[®] Branch, 1 Brolga Place, Coleambally or the Secretary.
4. Nomination and Consent to Act forms must be lodged with the Secretary by 5:00 p.m. 8 November 2007.
5. A list of candidates' names in alphabetical order with the nominators' and seconders' names shall be posted in the registered office for at least seven days immediately preceding the Annual General Meeting.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company but should be a natural person over the age of 18 years. Proxy forms will be available once nominations close from the Coleambally Community Bank[®] Branch, 1 Brolga Place, Coleambally or the Secretary and must be lodged at the registered office of the company not less than 48 hours before the timing of the meeting.

Treasurer's Report

Income \$498k

Expenses \$502k inc donations \$107k

Net Loss \$3,784

Heartfelt gratitude extended to staff, directors, and customers

MOVED THAT

"The Treasurer's Report be accepted" C. Noack/K. Boyle
CARRIED

The Treasurers Report was tabled

MOVED THAT

"The Treasurers Report be accepted as tabled"
R. Brain/A. Howe CARRIED

RETIREMENT & RESIGNATION OF DIRECTORS

THREE Directors resign under standing rules, and being eligible offer themselves for re-election

THREE vacancies consequent upon these resignations are filled without elections being necessary, these being A. Howe, K. Boyle, C. Noack.

MOVED THAT

"The three nominations for the positions of Directors be accepted" K. Coster/S. Sutherland CARRIED

GENERAL BUSINESS:

Bendigo Community Telco – no noticeable progress being made

Leeton Branch – ditto

Mr Mick Nowland (Regional Retail Lending Manager) made laudatory comments about Bendigo Community Banks in general, and Coleambally Community Bank in particular.

MOVED THAT

"This Meeting expresses its heartfelt appreciation to the Manager and Staff of the Coleambally Community Bank for their wonderful service"

Brain/D. Hill

CARRIED

CLOSURE:

There being no further business to discuss, the Chairman declared the meeting closed at 8.55 pm.

Signed as a true record.

.....Chairman

Date.....20/9/07.....

Chairman's Report

Coleambally Community Bank[®] Branch continues to grow. At the time of writing, your Community Bank[®] Branch had combined banking business of \$75 million and with more than 2200 accounts. This is a marvelous accomplishment by the staff, a team that continues to work hard and this is reflected in the way the bank continues to grow and prosper.

Since the last AGM the Bendigo Bank rejected a take over bid from Bank of Queensland and from those discussions evolved the merger with the Bank of Adelaide. If the merger proceeds it will only benefit by giving Bendigo Bank customers access to more products, branches and ATM's. The Community Bank model will continue to expand and Bendigo Bank customers will continue to Bank with the Bendigo Bank.

As I mentioned in last years chairman's report the Coleambally Community Bank[®] Branch were to commence sponsorship of a driver education program for the youth of Coleambally and District. Since the inception of the program this year there have been thirty local youths participate with more scheduled to complete the program in coming weeks.

This year the board have decided to move the community grants application deadline forward to December instead of the January deadline when many people are still on holidays. Notification that applications have opened will be in the newspaper and application forms will be available at the branch.

In recognition of the excellence of our staff the Coleambally Community Bank[®] Branch was the winner of the 2006/2007 Community Engagement in a Regional Environment award for the second year running. This award recognises staff personal interaction, participation and involvement in the community outside the workplace. This is a fantastic achievement by our staff Chris, Mary, Kate, Jess and Simone and shows that they take great pride in their community.

As many of you would be aware there has been a change in our staffing this year. Jess is on 12 months maternity leave and replacing her part time is Simmone Hay. I would just like to welcome Simmone to our team and hope you all get to know her in the coming months.

In addition I would like to thank the Board members for their effort throughout the year. As always they continue to work as a professional unit volunteering their time to ensuring the Coleambally Community Bank[®] Branch is operating within the policies and procedures.



Tony Howe
Chairman

Manager's Report

The drought continues to bite hard and is impacting on many businesses in the district. Hopefully the worst is behind us and the New Year brings significantly more rain to the area. I know I said this last year, but I am hoping for better results this time.

During the year Your Community Bank grew by \$12,102,000 to have banking business totalling \$67,652,452. This was \$6,446,000 more than what we budgeted for. I am extremely pleased with this result and this growth has continued. At the end of September total banking business was just under \$75 million. The majority of this business is coming to us from other financial institutions.

This business growth translates to increased income. This year total income rose to \$549,045. This is an increase of \$50,169 or 10% on the previous years result. At the same time expenses were held to \$503,265. This is an increase of only \$604 on the previous year. This resulted in a net profit before tax of \$45,780. This is a very good result when compared to the net loss of \$3,785 from the previous year.

We are pleased with the results we have achieved to date and see no reason why this should not continue. Since we opened in March 1999 the Community Bank has put back \$231,000 to 51 organisations to assist with a wide range of projects and with continued support this amount will grow significantly in the coming years.

We are busy gathering support for an agency or sub branch in Darlington Point. This will enable us to provide a greater level of customer service to the customers that support us from Darlington Point. If you want to support this project and see the profits go back into your town simply transfer your banking to the Community Bank and together we can make a difference.

I would like to thank my staff, Mary Thompson, Jessica Dunbar and Kate Jones, for their hard work and professionalism, without them these results would not be possible. They are the face of the Bank and their dedication ensures that Coleambally Community Bank[®] has and will continue to be a success. Jessica is having some time off following the birth of Charlize, and is being replaced, more than capably by Simmone Hay. I would like to welcome Simmone to the team and I hope she enjoys her time with us.

I would also like to thank the Board of Directors, capably lead by Tony Howe, for their continued support of me and our company.

Finally and probably most importantly, I must again thank our customers for their support and patronage, because without customers supporting us we would not be able to support the community to the extent that we have.



Chris Noack
Manager

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Report

Your Directors submit the financial report of the company for the financial year ended 30 June 2007.

Directors

The names and details of the company's directors who held office during or since the end of the financial year are:

AJ Howe
Chairman
Electrical appliance repairer

SE Sutherland
Director
Farmer

KR Boyle
Director
Post master

JC Smith
Secretary
Retired School Teacher

JH Payne
Director
Farmer

CJ Noack
Director
Bank Manager

SE McCamley- White
Director
Farmer

RM Brain
Director
Farmer

AJ Hayes
Director
Farm Manager

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

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

Principal activities

The principal activities of the company during the course of the financial year were in providing community banking 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 profit/(loss) of the company for the financial year after provision for income tax was \$27,369 (2006: (\$7,341)).

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.

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Report

Significant events after the balance date

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 providing banking services to the community.

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.

The building Coleambally Finance Group Limited conducts its operations from was owned by Mr Kevan Boyle and Mrs Jan Boyle. Mr Boyle is a Director of Coleambally Finance Group Limited. The rental paid during the year to Mr and Mrs Boyle amounted to \$2,325 (2006: \$8,681) and was based on normal commercial terms. The company purchased the building during the year for \$200,000.

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 year were:

Number of Meetings Held:	11
Number of Meetings Attended:	
CJ Noack	10
AJ Howe	10
KR Boyle	10
JH Payne	11
SE Sutherland	8
SE McCamley- White	8
AJ Hayes	10
JC Smith	5
RM Brain	9

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Report

Company Secretary

John Smith has been the company secretary of Coleambally Finance Group since 15 December 2005. He was head science teacher at Coleambally for 23 years. Now retired.

Corporate Governance

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

- (a) Director approval of operating budgets and monitoring of progress against these budgets;
- (b) Ongoing Director training; and
- (c) 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



10 Forest Street
PO Box 30
Bendigo. 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail: rsd@rsdadvisors.com.au

Auditor's Independence Declaration

In relation to our audit of the financial report of Coleambally Finance Group Limited for the financial year ended 30 June 2007, 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
26 September 2007

Signed in accordance with a resolution of the Board of Directors at Coleambally on 26 September 2007.



AJ Howe, Chairman

Coleambally Finance Group Limited
ABN 52 086 241 509
Income Statement
For the year ended 30 June 2007

	<u>Notes</u>	2007 \$	2006 \$
Revenue from ordinary activities	2	549,045	498,876
Employee benefits expense	3	(204,141)	(188,112)
Depreciation and amortisation expense	3	(15,267)	(12,537)
Finance costs	3	(39,947)	(47,019)
Donations		(90,959)	(107,246)
Administration and other expenses from ordinary activities		<u>(152,951)</u>	<u>(147,747)</u>
Profit / (loss) before income tax expense		45,780	(3,785)
Income tax expense	4	<u>18,411</u>	<u>3,556</u>
Profit / (loss) after income tax expense		<u><u>27,369</u></u>	<u><u>(7,341)</u></u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited

ABN 52 086 241 509

Balance Sheet

As at 30 June 2007

	<u>Notes</u>	2007 \$	2006 \$
Current Assets			
Cash assets	6	466,364	511,129
Receivables	7	51,065	57,837
Other assets	8	4,151	2,051
Total Current Assets		<u>521,580</u>	<u>571,017</u>
Non-Current Assets			
Property, plant and equipment	9	217,161	21,357
Intangible assets	10	47,910	53,494
Total Non-Current Assets		<u>265,071</u>	<u>74,851</u>
Total Assets		<u>786,651</u>	<u>645,868</u>
Current Liabilities			
Payables	11	14,842	17,865
Current tax payable	4	14,607	-
Interest bearing liabilities	12	324,799	301,425
Provisions	13	48,437	51,347
Total Current Liabilities		<u>402,685</u>	<u>370,637</u>
Non-Current Liabilities			
Interest bearing liabilities	12	81,366	-
Restricted funds - pledges	12	333,790	333,790
Total Non-Current Liabilities		<u>415,156</u>	<u>333,790</u>
Total Liabilities		<u>817,841</u>	<u>704,427</u>
Net Liabilities		<u>(31,190)</u>	<u>(58,559)</u>
Equity			
Accumulated losses	14	(31,190)	(58,559)
Total Equity		<u>(31,190)</u>	<u>(58,559)</u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Cash Flow Statement
For the year ended 30 June 2007

	<u>Notes</u>	2007 \$	2006 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		581,663	525,877
Cash payments in the course of operations		(500,494)	(464,362)
Income tax (paid)/refunded		4,632	(15,872)
Interest paid		(39,947)	(47,019)
Interest received		10,128	11,792
Net cash flows from operating activities	15b	<u>55,982</u>	<u>10,416</u>
Cash Flows From Investing Activities			
Payments for property, plant & equipment		(205,487)	(792)
Proceeds from sale of property, plant & equipment		-	1,091
Net cash flows used in investing activities		<u>(205,487)</u>	<u>299</u>
Cash Flows From Financing Activities			
Proceeds from borrowings		96,114	-
Net cash flows used in financing activities		<u>96,114</u>	<u>-</u>
Net increase in cash held		(53,391)	10,715
Add opening cash brought forward		209,704	198,989
Closing cash carried forward	15a	<u><u>156,313</u></u>	<u><u>209,704</u></u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of Changes in Equity
For the year ended 30 June 2007

	2007	2006
	\$	\$
PLEDGES		
<i>Ordinary Pledges</i>		
Balance at start of year	333,790	333,790
Additional pledges	<u>-</u>	<u>-</u>
Balance at end of year	<u><u>333,790</u></u>	<u><u>333,790</u></u>
 ACCUMULATED LOSSES		
Balance at start of year	(58,559)	(51,218)
Profit / (loss) after income tax expense	27,369	(7,341)
Dividends paid	<u>-</u>	<u>-</u>
Balance at end of year	<u><u>(31,190)</u></u>	<u><u>(58,559)</u></u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

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 26 September 2007.

(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

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2006 financial statements.

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.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

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 over the estimated useful life of the asset as follows:

<u>Class of Asset</u>	<u>Depreciation Rate</u>
Furniture & Equipment	10 - 30%
Plant & Equipment	10%
Buildings	2.5%

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.

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.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

1. Basis of preparation of the Financial Report (continued)

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.

Comparative Figures

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

Revenue

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

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

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.

2. Revenue from ordinary activities	2007	2006
	\$	\$
Operating activities		
- services commissions	294,705	267,552
- other revenue	<u>240,312</u>	<u>219,532</u>
	<u>535,017</u>	<u>487,084</u>
Non-operating activities:		
- interest received	10,128	11,792
- other revenue	<u>3,900</u>	<u>-</u>
	<u>14,028</u>	<u>11,792</u>
	<u>549,045</u>	<u>498,876</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

	2007	2006
	\$	\$
3. Expenses		
Employee benefits expense		
- wages and salaries	187,274	172,612
- superannuation costs	16,867	15,500
	<u>204,141</u>	<u>188,112</u>
Depreciation of non-current assets:		
- plant and equipment	6,611	6,952
- buildings	3,072	-
Amortisation of non-current assets:		
- intangibles	5,584	5,585
	<u>15,267</u>	<u>12,537</u>
Bad debts	172	120
Finance cost:		
- Interest paid	39,947	47,019
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%	13,734	(1,135)
Add tax effect of:		
- Non-deductible expenses	4,677	4,691
<i>Current income tax expense</i>	<u>18,411</u>	<u>3,556</u>
Income tax expense	<u>18,411</u>	<u>3,556</u>
Deferred tax liabilities		
Current tax payable	<u>14,607</u>	<u>-</u>
5. Auditors' Remuneration		
Amounts received or due and receivable by Richmond, Sinnott & Delahunty for:		
- Audit or review of the financial report of the company	<u>2,700</u>	<u>2,700</u>
6. Cash Assets		
Cash at bank and on hand	<u>466,364</u>	<u>511,129</u>
7. Receivables		
Trade debtors	51,065	49,401
Tax refund	-	8,436
	<u>51,065</u>	<u>57,837</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

	2007	2006
	\$	\$
8. Other assets		
Prepayments	<u>4,151</u>	<u>2,051</u>
9. Property, Plant and Equipment		
<i>Land - 1 Brolga Place</i>		
At cost	<u>40,000</u>	<u>-</u>
<i>Buildings</i>		
At cost	165,487	-
Less accumulated depreciation	<u>(3,072)</u>	<u>-</u>
	<u>162,415</u>	<u>-</u>
<i>Office furniture & equipment</i>		
At cost	67,502	67,502
Less accumulated depreciation	<u>(52,856)</u>	<u>(46,295)</u>
	<u>14,646</u>	<u>21,207</u>
<i>Plant and equipment</i>		
At cost	1,790	1,790
Less accumulated depreciation	<u>(1,690)</u>	<u>(1,640)</u>
	<u>100</u>	<u>150</u>
Total written down amount	<u>217,161</u>	<u>21,357</u>
Movements in carrying amounts		
<i>Land - 1 Brolga Place</i>		
Carrying amount at beginning of year	-	-
Additions	40,000	-
Carrying amount at end of year	<u>40,000</u>	<u>-</u>
<i>Buildings</i>		
Carrying amount at beginning of year	-	-
Additions	165,487	-
Disposals	-	-
Depreciation expense	<u>(3,072)</u>	<u>-</u>
Carrying amount at end of year	<u>162,415</u>	<u>-</u>
<i>Office furniture & equipment</i>		
Carrying amount at beginning of year	21,207	29,006
Additions	-	792
Disposals	-	(1,689)
Depreciation expense	<u>(6,561)</u>	<u>(6,902)</u>
Carrying amount at end of year	<u>14,646</u>	<u>21,207</u>
<i>Plant and equipment</i>		
Carrying amount at beginning of year	150	200
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(50)</u>	<u>(50)</u>
Carrying amount at end of year	<u>100</u>	<u>150</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

	2007	2006
	\$	\$
10. Intangible Assets		
<i>Franchise Fee and Establishment Costs</i>		
At cost	131,700	131,700
Less accumulated amortisation	<u>(83,790)</u>	<u>(78,206)</u>
	<u>47,910</u>	<u>53,494</u>
11. Payables		
Trade creditors	5,794	7,396
GST payable	6,078	7,499
Other creditors and accruals	2,970	2,970
	<u>14,842</u>	<u>17,865</u>
12. Interest Bearing Liabilities		
<i>Current</i>		
Bank overdraft	310,051	301,425
Bank loan	14,748	-
	<u>324,799</u>	<u>301,425</u>
<i>Non Current</i>		
Restricted funds - pledges	333,790	333,790
Bank loan	81,366	-
	<u>415,156</u>	<u>333,790</u>
13. Provisions		
PAYG withholding	3,126	13,848
Employee benefits	44,505	34,501
Other	806	2,998
	<u>48,437</u>	<u>51,347</u>
Number of employees at year end	<u>4</u>	<u>4</u>
14. Accumulated Losses		
Balance at the beginning of the financial year	(58,559)	(51,218)
Net profit / (loss) from ordinary activities after income tax	27,369	(7,341)
Balance at the end of the financial year	<u>(31,190)</u>	<u>(58,559)</u>
15. Cash Flow Statement		
<i>(a) Reconciliation of cash</i>		
Cash assets	466,364	511,129
Bank overdraft	<u>(310,051)</u>	<u>(301,425)</u>
	<u>156,313</u>	<u>209,704</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

	2007	2006
	\$	\$
15. Cash Flow Statement (continued)		
<i>(b) Reconciliation of profit / (loss) after tax to net cash from/(used in) operating activities</i>		
Profit / (loss) after income tax	27,369	(7,341)
Non cash items		
- Loss on sale	-	598
- Depreciation	9,683	6,952
- Amortisation	5,584	5,585
Changes in assets and liabilities		
- (Increase) decrease in receivables and other assets	(3,764)	(10,995)
- (Increase) decrease in tax refund	8,436	-
- Increase (decrease) in payables	(3,023)	(3,033)
- Increase (decrease) in provisions	(2,910)	22,530
- Increase (decrease) in income tax payable	14,607	(3,880)
Net cashflows from / (used in) operating activities	55,982	10,416

16. Director and Related Party Disclosures

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

CJ Noack
AJ Howe
KR Boyle
JH Payne
SE Sutherland
SE McCamley- White
AJ Hayes
JC Smith
RM Brain

Apart from the following, no related party transaction occurred during the year:

The building Coleambally Finance Group Limited conducts its operations from was owned by Mr Kevan Boyle and Mrs Jan Boyle. Mr Boyle is a Director of Coleambally Finance Group Limited. The rental paid during the year to Mr and Mrs Boyle amounted to \$2,325 (2006: \$8,681) and was based on normal commercial terms. The company purchased the building during the year for \$200,000.

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.

Other than above no director's fees have been paid as the positions are held on a voluntary basis.

17. Subsequent Events

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

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
for the year ended 30 June 2007

18. Contingent Liabilities

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

19. 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 Coleambally, NSW.

20. Corporate Information

Coleambally Finance Group Ltd is a company limited by guarantee incorporated in Australia.

The registered office and principal place of business is:

1 Brolga Place
Coleambally NSW 2707

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the Financial Statements
For the year ended 30 June 2007

21. Financial Instruments

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 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 Balance Sheet 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					
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Assets												
Cash assets	139,002	183,967	-	-	-	-	-	-	327,362	327,162	0%	0%
Receivables	-	-	-	-	-	-	-	-	51,065	57,837	N/A	N/A
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	14,842	17,865	N/A	N/A
Interest Bearing Liabilities	310,051	301,425	14,748	-	81,366	-	-	-	333,790	333,790	7.05%	6.00%

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Declaration

In accordance with a resolution of the directors of Coleambally Finance Group Limited,
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 2007 and of their performance for the year 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.



AJ Howe, Chairman

Signed at Coleambally on the 26th September 2007.

Richmond Sinnott & Delahunty

Chartered Accountants



26 September 2007

The Directors
Coleambally Finance Group Limited
1 Brolga Place
COLEAMBALLY NSW 2707

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

Dear Directors

We have now completed our audit of the financial report Coleambally Finance Group Limited for year ended 30 June 2007. Subject to the Board of Directors adopting the financial report, we are in a position to issue an unqualified audit opinion on the company's financial report.

1. Overview of Audit Approach

Our audit was designed in accordance with Australian Auditing Standards (AUS), which provides for reasonable, rather than absolute, assurance that the financial report is free of material misstatement. The nature and scope of the audit work performed was designed to achieve our primary goal of supporting the audit opinion on the financial report.

2. Operations

2.1 Income Statement

	30 June 2007	30 June 2006
	\$	\$
Revenue from ordinary activities	549,045	498,876
Employee benefits expense	(204,141)	(188,112)
Depreciation & amortisation expenses	(15,267)	(12,537)
Borrowing cost expense	(39,947)	(47,019)
Donations	(90,959)	(107,246)
Administration and other operating expenses	(152,951)	(147,747)
Profit (loss) before income tax	45,780	(3,785)
Income tax expense	18,411	3,556
Profit (loss) after income tax	27,369	(7,341)

2.2 Balance Sheet

	30 June 2007	30 June 2006
	\$	\$
Current assets	521,580	571,017
Non-current assets	265,071	74,851
Total assets	786,651	645,868
Total liabilities	817,841	704,427
Equity	(31,190)	(58,559)

3. Auditing/Accounting Issues

During our audit we noted the following matter that we recommend the directors continue to monitor before future audits are completed.

3.1 On Costs

It was noted during review of employee benefits that on costs were not included in the calculation for the provision of employee benefits. To correctly account for the provision, applicable leave loading, superannuation and workcover should be included in the total provision amount. This amount was immaterial and the financial statements were not adjusted for this.

We recommend that in the future superannuation and workcover be calculated on the annual leave balance before leave loading and added to the provision for employee benefits.

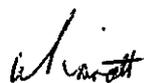
4. Summary of Audit Differences

There are no material audit differences that have not been included in the financial report for Coleambally Finance Group Limited.

Our work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities, other than those that would influence us in forming our audit opinion.

Should you have any queries in relation to the above or any other matters please do not hesitate to contact either Stephen Brown or myself.

Yours sincerely



Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Richmond Sinnott & Delahunty
Chartered Accountants



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

26 September 2007

The Directors
Coleambally Finance Group Limited
1 Brolga Place
COLEAMBALLY NSW 2707

Dear Directors

Auditor's Independence Declaration

In relation to our audit of the financial report of Coleambally Finance Group Ltd for the year ended 30 June 2007, 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



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

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF COLEAMBALLY FINANCE GROUP LIMITED

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 Coleambally Finance Group Limited, for the year ended 30 June 2007.

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 designed 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.

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 Coleambally Finance Group Limited 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 2007 and of its performance for the year ended on that date; and
 - (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: 26 September 2007