

2008 annual report



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Chairman's report

For year ending 30 June 2008

This is our first full financial year trading and at the end of June 2008, Coolalinga & Districts **Community Bank**[®] Branch was able to report banking business of \$36 million against the forecast figure of \$39 million in our prospectus. As our second year does not finish until September, I believe we should be right on target.

This year we have had a change in Branch Manager and we are very fortunate to have Hiliary Bradbury as our new Branch Manager. Hiliary comes to us with 26 years banking experience and has wonderful ideas for our future growth.

We also re-structured our staff and Leachele Pascoe who was our Customer Service Supervisor has moved up to Assistant Branch Manager, which will allow Hiliary to concentrate on building our business.

Lynne Nicolson, Amanda Hounslow and Tanya Hunter are our wonderful customer service team; our staff always has smiles on their faces. Great staff is our biggest asset and I thank them sincerely for their hard work.


I take this opportunity also to thank your Directors who work voluntarily and tirelessly. There is a great deal of work to run this Company and they are a dedicated bunch. One of our Directors left this year and I thank him sincerely for his work, but we have gained two new Directors – Kathy Clayden and Karl Lindsay-Park, and we will add more Directors this year to spread the load evenly. If you are interested in becoming a Director please let us know.

Again, I would like to thank our partner Bendigo Bank, as without them we would not be where we are. We now have a dedicated Regional Manager NT, David Van Eyk, and I would like to also thank him.

To you, our customers and shareholders, thank you for your continuing support. Increased numbers of customers in the future mean more money going back into the community. Your **Community Bank**[®] Branch gives back financial support to the community. Over this last year we have supported many community organisations such as:

- Humpty Doo Primary School - Assist with trip to Canberra \$250
- Dundee Progress Association - Defibrillator for First Aid \$2495
- Taminmin High School - Dux of Year Awards & Garden \$1100
- Rural Hash House Harriers - Australia Day Fun Run \$400

This is my last year as Chairman, but I will still be involved assisting the Board in the Treasurer's position. We have achieved so much in our first two years and I look forward to the growth over the coming years. See you at our second birthday celebrations on 20 September at 10:30am.



Maureen Newman
Chairman

Manager's report

For year ending 30 June 2008

Coolalinga & Districts **Community Bank**[®] Branch has been operating since September 2006.

During the past 12 months, community support for the **Community Bank**[®] branch has continued to grow with our total book value in combined deposits and lending increasing from \$25 million as at 30 June 2007, to \$36 million as at the 30 June 2008.

The team now consists of three full time and two part time staff members.

Our aim for the coming financial year is to pro-actively grow our business by a total of \$15million.

I thank the branch staff for their outstanding contributions throughout the year as they strive to provide an invaluable experience for all our customers.

I would also like to thank our customers, the local community and our shareholders for their continued support and active promotion of our **Community Bank**[®] branch.

I am sure that the next 12 months will be an exciting time for us all as we see the branch and its support of the local community continue to grow.



Hiliary Bradbury
Branch Manager

Directors' report

For year ending 30 June 2008

Your Directors submit the financial report of the Company for the financial 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:

Maureen Annetta Newman

Chairman/Treasurer

Age: 60

Business Partner

13 years as partner, 25 years of business accounts experience. Treasurer & Public Officer of Rural Area Business Group Inc. Human Resources & Governance/Audit Sub-committees

Interests in shares: 1,001

Karen Lee Relph

Company Secretary

Age: 51

Executive Assistant

Skills in public relations, marketing and event management. Member Officer for Australian Hotels Assoc, NT Branch.

Marketing/Sponsorship & Governance/Audit

Interests in shares: 1,001

Janice Susan Young

Director

Age: 57

Wharf Precinct Manager

Manages Cruise shipping for Port of Darwin. Extensive experience Marketing/PR. Executive Vice President of Tourism Top End. President SKAL Int Public Relations/HR/Marketing/Sponsorship

Interests in shares: 3,001

Robert Newman

Director

Age: 60

Business Owner 13 years

Completed Australian Institute of Company Directors course. Mechanic and member of several motor vehicle clubs.

Property & Marketing

Interests in shares: 501

Karl Lindsay-Park

Director (Appointed 2 June 2008)

Age: 46

Exploration Geologist

Office manager and Board Director

Share Register Officer

Interests in shares: 40,000

Kathleen Bridget Clayden

Director (Appointed 26 November 2007)

Age: 56

Accountant

Financial accounting, corporate tax, finance and investment, superannuation & Director of small business.

Governance/Audit & HR

Interests in shares: Nil

Directors' report continued

Raymond Oak Grimshaw

Director (Resigned 3 June 2008)

Age: 72

Chartered Accountant

Own business 16 years. Certified Public Accountant

Fellow Inst. Of Chartered Accountants of Australia

Fellow Taxation Institute of Australia

Interests in shares: 500

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 Karen Lee Relph. Karen was appointed to the position of Secretary on 14 August 2006. Karen has managed her own marketing and public relations business in Western Australia. She has hands on experience in finance, staff and project management and her experience includes developing agendas, taking of minutes and report writing. Her excellent negotiating skills allows her to liaise with all levels of government, corporate, community and the public.

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	Year ended 30 June 2007
\$	\$
(124,266)	(292,153)

Remuneration report

All Directors perform their duties solely in a voluntary capacity and do not receive any form of remuneration.

There are no employees who are directly accountable and have responsibility for the strategic direction and operational management of the entity.

There are therefore no specified Executives whose remuneration requires disclosure.

Directors' report continued

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 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' report continued

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
Maureen Annetta Newman	10	10
Karen Lee Relph	10	8
Janice Susan Young	10	6
Robert Newman	10	10
Kathleen Bridget Clayden (Appointed 26 November 2007)	6	6
Karl Lindsay-Park (Appointed 2 June 2008)	1	-
Raymond Oak Grimshaw (Resigned 3 June 2008)	10	10

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.

Directors' report continued

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 Coolalinga, Northern Territory on 11 August 2008.



Maureen Annetta Newman
Chairman



Karen Lee Relph
Secretary

Auditor's independence declaration



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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Coolalinga & Districts Community Finance 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 14th day of August 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	320,343	109,444
Salaries and employee benefits expense		(226,904)	(229,236)
Advertising and promotion expenses		(18,461)	(12,984)
Occupancy and associated costs		(56,134)	(39,577)
Systems costs		(25,167)	(19,523)
Depreciation and amortisation expense	4	(16,552)	(12,570)
General administration expenses		(101,391)	(87,707)
Loss before income tax credit		(124,266)	(292,153)
Income tax credit	5	-	-
Loss for the period		(124,266)	(292,153)
Loss attributable to members of the entity		(124,266)	(292,153)
Earnings per share (cents per share)		c	c
- basic for loss for the year	18	(15.53)	(41.11)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
Current assets			
Cash assets	6	46,318	195,382
Trade and other receivables	7	35,245	14,711
Total current assets		81,563	210,093
Non-current assets			
Property, plant and equipment	8	173,093	182,184
Intangible assets	9	6,430	8,430
Deferred tax assets	10	37,629	37,629
Total non-current assets		217,152	228,243
Total assets		298,715	438,336
Liabilities			
Current liabilities			
Trade and other payables	11	24,399	40,381
Provisions	12	6,232	5,605
Total current liabilities		30,631	45,986
Total liabilities		30,631	45,986
Net assets		268,084	392,350
Equity			
Issued capital	13	765,550	765,550
Accumulated losses	14	(497,466)	(373,200)
Total equity		268,084	392,350

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		336,489	171,233
Payments to suppliers and employees		(480,062)	(542,241)
Interest received		3,320	6,238
Interest paid		(3,348)	-
Net cash outflow from operating activities	15	(143,601)	(364,770)
Cash flows from investing activities			
Payment for intangible assets		-	(10,000)
Payments for property, plant and equipment		(5,463)	(193,183)
Net cash outflow from investing activities		(5,463)	(203,183)
Cash flows from financing activities			
Proceeds from issue of shares		-	134,111
Payment of share issue costs		-	(22,717)
Net cash inflow from financing activities		-	111,394
Net decrease in cash held		(149,064)	(456,559)
Cash at the beginning of the financial year		195,382	651,941
Cash at the end of the financial year	6(a)	46,318	195,382

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		392,350	551,082
Net loss for the period		(124,266)	(292,153)
Net income/expense recognised directly in equity		-	-
Dividends provided for or paid		-	-
Shares issued during period		-	134,111
Costs of issuing shares		-	(690)
Total equity at the end of the period		268,084	392,350

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, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

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 of 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

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	317,023	103,206
Total revenue from operating activities	317,023	103,206
Non-operating activities:		
- interest received	3,320	6,238
Total revenue from non-operating activities	3,320	6,238
Total revenues from ordinary activities	320,343	109,444

Note 4. Expenses

Depreciation of non-current assets:		
- plant and equipment	8,316	6,114
- leasehold improvements	6,236	4,886
Amortisation of non-current assets:		
- franchise agreement	2,000	1,570
	16,552	12,570

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	(124,266)	(292,153)
Prima facie tax on loss from ordinary activities at 30%	(37,280)	(87,646)
Add tax effect of:		
- non-deductible expenses	600	471
- timing difference expenses	188	2,009
- blackhole expenses	(2,067)	(2,067)
Future income tax benefit attributable to losses	38,559	87,233
	-	-

Notes to the financial statements continued

	2008 \$	2007 \$
Note 5. Income tax expense (continued)		
Income tax losses		
Future income tax benefits arising from tax losses are not recognised at reporting date as realisation of the benefit is not regarded as virtually certain. Future income tax benefit carried forward is:		
	125,793	87,233

Note 6. Cash assets

Cash at bank and on hand	46,318	195,382
	46,318	195,382

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	46,318	195,382
	46,318	195,382

Note 7. Trade and other receivables

Trade receivables	28,586	8,394
Prepayments	6,659	6,317
	35,245	14,711

Note 8. Property, plant and equipment

Plant and equipment		
At cost	37,354	31,892
Less accumulated depreciation	(14,430)	(6,114)
	22,924	25,778
Leasehold improvements		
At cost	161,291	161,291
Less accumulated depreciation	(11,122)	(4,886)
	150,169	156,405
Total written down amount	173,093	182,183

Notes to the financial statements continued

	2008 \$	2007 \$
Note 8. Property, plant and equipment (continued)		
Movements in carrying amounts:		
Plant and equipment		
Carrying amount at beginning	25,778	-
Additions	5,462	31,892
Disposals	-	-
Less: depreciation expense	(8,316)	(6,114)
Carrying amount at end	22,924	25,778
Leasehold improvements		
Carrying amount at beginning	156,405	-
Additions	-	161,291
Disposals	-	-
Less: depreciation expense	(6,236)	(4,886)
Carrying amount at end	150,169	156,405
Total written down amount	173,093	182,183

Note 9. Intangible assets

Franchise fee

At cost	10,000	10,000
Less: accumulated amortisation	(3,570)	(1,570)
	6,430	8,430

Note 10. Deferred tax

Deferred tax asset

Tax losses - revenue	37,629	37,629
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Notes to the financial statements continued

	2008 \$	2007 \$
Note 11. Trade and other payables		
Trade creditors	21,399	37,381
Other creditors & accruals	3,000	3,000
	24,399	40,381

Note 12. Provisions

Employee provisions	6,232	5,605
Number of employees at year end	5	5

Note 13. Contributed equity

800,011 Ordinary shares fully paid of \$1 each (2007: 800,011)	800,011	800,011
Less: equity raising expenses	(34,461)	(34,461)
	765,550	765,550

Note 14. Accumulated losses

Balance at the beginning of the financial year	(373,200)	(81,047)
Net loss from ordinary activities after income tax	(124,266)	(292,153)
Balance at the end of the financial year	(497,466)	(373,200)

Notes to the financial statements continued

	2008 \$	2007 \$
Note 15. Statement of cash flows		
Reconciliation of loss from ordinary activities after tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(124,266)	(292,153)
Non cash items:		
- depreciation	14,552	11,000
- amortisation	2,000	1,570
Changes in assets and liabilities:		
- increase in receivables	(20,532)	(1,945)
- decrease in payables	(15,982)	(88,847)
-increase in provisions	627	5,605
Net cash flows used in operating activities	(143,601)	(364,770)

Note 16. Auditors' remuneration

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

- audit & review services	4,000	4,000
- non audit services	2,240	1,370
	6,240	5,370

Note 17. Director and related party disclosures

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

Maureen Annetta Newman

Karen Lee Relph

Janice Susan Young

Robert Newman

Karl Lindsay-Park (Appointed 2 June 2008)

Kathleen Bridget Clayden (Appointed 26 November 2007)

Raymond Oak Grimshaw (Resigned 3 June 2008)

No Director or related entity has entered into a material contract with the Company. No Director's fees have been paid as the positions are held on a voluntary basis.

Notes to the financial statements continued

Note 17. Director and related party disclosures (continued)

Directors shareholdings	2008	2007
Maureen Annetta Newman	1,001	2,001
Karen Lee Relph	1,001	1,001
Janice Susan Young	3,001	3,001
Robert Newman	501	1,001
Karl Lindsay-Park (Appointed 2 June 2008)	40,000	40,000
Kathleen Bridget Clayden (Appointed 26 November 2007)	-	-
Raymond Oak Grimshaw (Resigned 3 June 2008)	500	500

Maureen Newman and Robert Newman sold some of their shares to staff members of the bank during the year. Each share is valued at \$1.

	2008	2007
	\$	\$

Note 18. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company

used in calculating earnings per share (124,266) (292,153)

	2008	2007
	Number	Number

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

800,011 710,683

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.

Notes to the financial statements continued

Note 21. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank**[®] services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Coolalinga and surrounding districts, Northern Territory.

Note 22. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
Shop 18, 460 Stuart Highway, Coolalinga NT 0835	Shop 18, 460 Stuart Highway, Coolalinga NT 0835

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	46,318	29,856	-	-	-	-	-	-	-	-	4.75	0.05
Trust account	-	165,526	-	-	-	-	-	-	-	-	-	2.40
Receivables	-	-	-	-	-	-	-	-	32,245	14,712	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	24,399	40,381	N/A	N/A

Directors' declaration

In accordance with a resolution of the Directors of Coolalinga & Districts Community Finance 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.



Maureen Annetta Newman
Chairman



Karen Lee Relph
Secretary

Signed on 11 August 2008.

Independent audit report



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61-65 Bull Street
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www.afsbendigo.com.au
ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Coolalinga & Districts Community Finance Limited

We have audited the accompanying financial report of Coolalinga & Districts Community Finance 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 director's 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 director's 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 director's 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 Coolalinga & Districts Community Finance 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 director's report comply with Accounting Standards AASB 124 Related Party Disclosures.



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

Dated this 14th day of August 2008

BSX report

Share information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 28 August 2008, which is within 6 weeks of this report being sent to shareholders.

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

Number of shares held	Number of shareholders
1 to 1,000	243
1,001 to 5,000	110
5,001 to 10,000	20
10,001 to 100,000	7
100,001 and over	-
Total shareholders	380

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the Company.

There are 65 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

The following table shows the 10 largest shareholders.

Shareholder	Number of shares	Percentage of capital
Arnhem Geological & Exploration Service P/L	40000	5.00%
Castle Nominees Pty Ltd	20000	2.50%
Mr James M Cox & Ms Prudence King	20000	2.50%
Mr Stanley A Hore	20000	2.50%
Mr Allan C Smith	15000	1.87%
Mrs Valma Smith	15000	1.87%
Ms Gisela Lamche(Svetlana Lamche A/C)	12000	1.50%
Mr Robert G Burgdorf & Ms Vicki Jenkins	10000	1.25%
Domenic H Byrne & Vera M Urich	10000	1.25%
Mrs Barbara A Crane	10000	1.25%
	172,000	21.49%

BSX report continued

Registered office and principal administrative office

The registered office of the Company is located at:

Shop 18, 460 Stuart Highway,

Coolalinga NT 0835

Phone: 08 8983 4111

The principal administrative office of the Company is located at:

Shop 18, 460 Stuart Highway,

Coolalinga NT 0835

Phone: 08 8983 4111

Security register

The security register (share register) is kept at:

Computershare Investor services

452 Johnston Street,

Abbotsford VIC 3067

Phone: 1300 738 341

Company Secretary

Karen Relph has been the Company Secretary of Coolalinga & Districts Community Finance Ltd for 2 years.

Karen Relph's qualifications and experience are included within this Annual Report.

Corporate governance

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

- (a) The establishment of an audit committee. Members of the audit committee are Maureen Newman, Kathleen Clayden and Karen Relph.
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Annexure 3A

There are no material differences between the information in the Company's Annexure 3A and the information in the financial documents in its annual report.

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Coolalinga & Districts **Community Bank**[®] Branch
Shop 18 Coolalinga Shopping Centre,
460 Stuart Highway, Coolalinga NT 0835
Phone: (08) 8983 4111 Fax: (08) 8983 3482

Franchisee: Coolalinga & Districts Community Finance Limited
PO Box 557, Virginia NT 0822
Phone: (08) 8983 4111 Fax: (08) 8983 3482
ABN 24 117 500 455

www.bendigobank.com.au

Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR8010) (08/08)