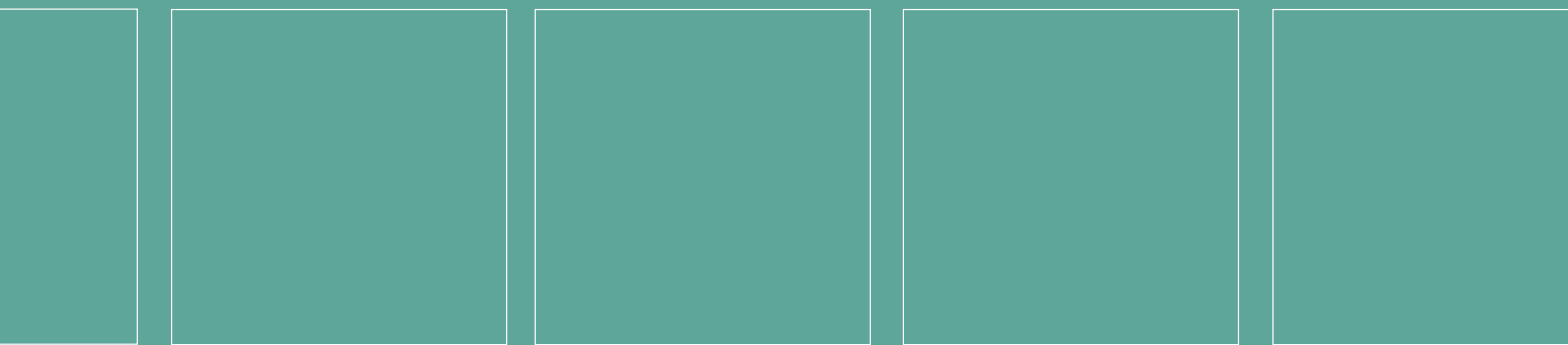


2008
annualreport



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Chairman's report

For year ending 30 June 2008

I am pleased to report to you on your branch's progress on behalf of our Board of Directors, for the financial year ending 30 June 2008. We had a challenge last financial year replacing our Branch Manager, however, we took our time to make sure we found the right person to manage your bank. Heather Jones, who lives at Aldinga Beach was appointed and I am pleased to report she is doing a great job.

Performance

The Branch's progress was slowed while we were without a Branch Manager and we needed to give Heather time to settle in. However, our staff headed by Sheena, did a marvellous job running the branch. Heather was employed with the Adelaide Bank for 17 years, where she worked as a manager. We are now back on track with increasing numbers, so please speak to your family, friends and neighbours and suggest they visit your **Community Bank**[®] branch and speak to one of our friendly staff.

Sponsorship and community projects

Although we are yet to make a profit, we have distributed more than \$21,000 since we opened for business. This financial year \$7,200 has gone to community groups and sporting clubs in the district. Bendigo Bank awards us funds for sponsorship for targets achieved during the year. All this award money is distributed to community projects.

Board of Directors

In accordance with the Company Constitution, three Directors will be retiring and may re-nominate for the same position. These Directors will be elected by those attending the AGM. Forms for nomination have been posted to shareholders. I am pleased to report that once again I am totally satisfied with the work done by all Directors.

Bendigo Bank Amalgamation with Adelaide Bank

Last year, I reported there may be a merger between Bendigo Bank and Adelaide Bank. I am pleased to report the amalgamation has been successful. The IT system integration should be finalised early 2009. This will allow customers of both banks to do their banking at any Bendigo or Adelaide Bank branch or ATM.

If Adelaide Bank customers in our area wish to open new accounts or to take out new loans, this can be done at our Branch further helping with our growth.

Finally, I wish to thank our dedicated staff, Manager Heather Jones, Board Directors and you the shareholders, for your great support of your **Community Bank**[®] branch which will make our enterprise a great success.

Yours sincerely



Cr George Apap JP
Chairman

Manager's report

For year ending 30 June 2008

I took over as Manager of our branch in February 2008 and at this time the deposits and loan portfolio was sitting at \$20million. Since then, I have worked hard to improve my skills and knowledge to ensure we have a successful branch.

I've spent time meeting with various members of our community, visiting local businesses, clubs and making myself available to our customers to ensure they receive the best service possible.

Our growth has been noticeable and we will continue to prosper. The community now knows me and I have their trust, we also have an excellent business plan in place to ensure we reach profitability as soon as possible.

As at 30 June, 2008 our deposit and loan portfolio was standing at \$22.5 million, with more than 1,500 customers who held an average 1.5 accounts with us.

The staff at Aldinga Beach **Community Bank**[®] Branch; Sheena (supervisor), Mandy, Jenny and Tina are fantastic and they all deliver exceptional customer service and work as a team to help our customers.

We have also put \$7,200 back into the local community, which has helped local clubs and raised our profile in Aldinga Beach.

Thank you to the Board of Directors for their support and also to our shareholders for their continued encouragement. I look forward to meeting all of our shareholders and helping with your banking needs in the near future.



Heather Jones
Manager

Directors' report

For year ending 30 June 2008

Your Directors present their report together with the financial report of the Company for the year ended 30 June 2008.

Directors

The following persons were Directors of Fleurieu Community Enterprises Ltd during the whole of the financial period and up to the date of this report:

G Apap	(appointed 6 October 2005)
S Beck	(appointed 15 December 2005)
ADR Dutton	(appointed 15 December 2005)
NS Looker	(appointed 6 October 2005)
AJ Lucey	(appointed 15 December 2005)
GF Lucey	(appointed 15 December 2005)
GR Marshall	(appointed 15 December 2005)
JB Martin	(appointed 6 October 2005)
PJ Smith	(appointed 15 December 2005)
KM Suter	(appointed 23 November 2006)

George Apap JP

Chairman

Elected Member City of Onkaparinga, President of Land Tax and Rate Payers Association of SA, former President Neighbourhood Watch SA of Aldinga Bay, Past Director of Labour Union Retirement Fund, former Union Secretary.

Adam John Lucey

Vice-Chairman

Chairman of AGM Organising Sub-committee and member of Business Planning and Business Development, Asset Management – Property and Equipment and Community Grants Program Sub-committees.

Director of multiple companies with interests in commercial property development, project management and construction. Also holds a builder's licence.

Anthony David Rowley Dutton

Treasurer

Chairman of Financial Management and Audit Sub-committees.

Currently owner/operator local accounting and finance practice.

Former Finance Director, many years experience as a Public Accountant and consultant covering most sectors.

Directors' report continued

Narelle Susan Looker

Company Secretary

Records Manager; member of Governance, Human Resources and AGM Organising Sub-committees.

Volunteer Coordinator of Office Volunteers at Aldinga Community Centre and Treasurer of Management Committee Aldinga Community Centre, Treasurer of the Aldinga bay Residents Association.

Former Secretary of: the Community Services Board; the Southern Vales Cancer Council, Celebrate Seniors City of Onkaparinga Committee and South Coast Road Safety Group. Retired Psychiatric Nurse.

Stanley Beck

Director

Chairperson Governance Sub-committee, member of Marketing and Promotions and AGM Organising Sub-committees.

Retired.

Past President of Friends of the Libraries Aldinga, former Treasurer of Sellicks Progress Association, President of the former Sellicks Neighbourhood Watch. Former owner/operator of a wholesale/retail electronics and repair business. Past experience as an importer.

George Francis Lucey

Director

Chairman of Asset Management – Property and Equipment Sub-committee and member of Marketing and Promotions Sub-committee.

Currently Managing Director of a Commercial Property Development and Construction Company. Over 50 years experience in commercial property development and holds a builder's licence.

Patron of Adelaide Polo cross Club.

Graham Richard Marshall

Director

Member of Business Planning and Business Development and Human Resources Sub-committees.

Currently Operations Manager and Director of an IT Company. Also Director and Financial Controller of a local small business.

Former Operations Manager and National Customer Service Manager of IT companies supporting the hospitality industry.

John Blakiston Martin

Director

Chairman of Business Planning and Business Development Sub-committee, Human Resources and Community Grants Program Sub-committees.

Currently freelance management consultant specialising in Change Management, Project Management, Executive Recruitment and Human Resources.

Qualified architect, project manager, HRM professional and equities trader Past and Present owner/manager of a series of private and public sector consultancy practices.

Directors' report continued

Peter John Smith

Director

Chairman of Marketing and Promotion Sub-committee and member of the Financial Management Sub-committee.

Currently Centre Manager at Aldinga Central Shopping Centre for over 14 years during which time he has developed an extensive network of contacts in the area.

Karen Miranda Suter

Director(elected at Annual General Meeting 2007)

Member of Marketing and Promotion, Community Grants Program and AGM Organising Sub-committees.

A teacher with more than 30 years service for SA Department of Children's Services (DECS). Currently teaching in a southern suburb primary school.

Former Member of the Aldinga Bay Residents Association (ABRA).

Previously community service as a Cub Scout Leader and past Australian Education Union (AEU) branch Secretary.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors meetings attended

During the financial year, 12 meetings of Directors were held. Attendances by each Director during the year were as follows:

Names of Directors	Directors' Meetings Number eligible to attend	Number attended
George Apap	12	12
Adam Lucey	12	9
John Martin	12	10
Anthony Dutton	12	8
Stanley Beck	12	12
Narelle Looker	12	11
George Lucey	12	12
Graham Marshall	12	5
Peter Smith	12	7
Karen Suter	7	7

Directors' report continued

Shareholdings

	Balance at incorporation	Options exercised	Net change Others *	Balance 30 June 2008
Directors				
George Apap	-	-	-	2,001
Stanley Beck	-	-	-	2,001
Anthony Dutton	-	-	-	1,001
Narelle Looker	-	-	-	1,001
Adam Lucey & George Lucey	-	-	-	65,001
Graham Marshall	-	-	-	1,001
John Martin	-	-	-	5,001
Peter Smith	-	-	-	10,001
Karen Suter	-	-	-	1,000

* Net change others refers to shares purchased or sold during the financial period

Principal activity and review of operations

The principal activity and focus of the Company's operations during the year was the operation of a Branch of Bendigo Bank, pursuant to a franchise agreement.

Operating results

The loss of the Company after providing for income tax amounted to \$146,079

Dividends paid or recommended

The Company paid or declared for payment dividends of nil during the year.

Significant changes in 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 these financial statements.

After balance date events

No matters or circumstances have arisen since the end of the financial year that 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 financial years.

Directors' report continued

Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Remuneration report

Remuneration policy

All Directors of the Company are on a voluntary basis therefore no remuneration policy is currently relevant.

The remuneration package of the bank manager is done on an annual basis and is endorsed by the Board.

Remuneration packages are reviewed with due regard to performance and other relevant factors.

Details of remuneration for year ended 30 June 2008

Details of the nature and amount of each element of the emolument of the bank managers of the Company receiving the highest emolument for the financial period are as follows:

Remuneration packages may contain the following key elements:

(a) primary salary

(b) post employment benefits including superannuation

	Salary, fees and commissions	Superannuation contribution	Cash bonus	Non-cash benefits	Total
	\$	\$	\$	\$	\$
David Weeks	30,930	2,783			33,713
Heather Jones	31,406	2,826			34,232
	62,336	5,609			67,945

Details of remuneration for year ended 30 June 2007

	Salary, fees and commissions	Superannuation contribution	Cash bonus	Non-cash benefits	Total
	\$	\$	\$	\$	\$
David Weeks	60,686	5,461			66,147
	60,686	5,461			66,147

Employment contracts of Branch Manager

The employment conditions of the bank manager are formalised in contracts of employment. The bank manager is a permanent employee of the Company.

The employment contracts stipulate a range of one to four week resignation periods.

In the instance of serious misconduct the Company can terminate employment at any time.

Directors' report continued

Options

No options over issued shares or interests in the Company were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report.

The Directors and Executive do not own any options over issued shares or interests in the Company at the date of this report.

Indemnifying Officers or Auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an Officer, but not an Auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Share options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Environmental issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2002. The Directors are satisfied that the services disclosed below did not compromise the external Auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and
- the nature of the services provided do not compromise the general principles relating to Auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external Auditors during the year ended 30 June 2008:

Services: \$nil

Directors' report continued

Auditor's independence declaration

A copy of the Auditor's independence declaration is included within the financial statements.

Signed in accordance with a resolution of the Board of Directors.



Adam Lucey
Deputy Chairman



Narelle Looker
Secretary

Dated 2 October 2008.

Auditor's independence declaration



FLEURIEU COMMUNITY ENTERPRISES LIMITED t/as
ALDINGA BEACH COMMUNITY BANK
A.B.N. 72 116 550 157

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

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

ACCURU⁺ HARRIS ORCHARD

BEN WILLINGTON
Partner

Adelaide, SA

Dated: 30/9/08

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Samuel A Facy
Benjamin F Willington

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Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenue	2	235,205	131,593
Employee benefits expense			
Depreciation and amortisation expense	3	(11,792)	(11,738)
Finance costs			-
Other expenses	3	(369,493)	(308,780)
Profit before income tax expense		(146,079)	(188,925)
Income tax expense	4	-	-
Profit attributable to members		(146,079)	(188,925)
Overall operations			
Basic earnings per share (cents per share)		20	26
Diluted earnings per share (cents per share)		20	26

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 and cash equivalents	5	(14,552)	124,341
Trade and other receivables		-	-
Other current assets	6	2,000	2,000
Total current assets		(12,552)	126,341
Non-current assets			
Property, plant and equipment	7	227,089	201,874
Intangible assets	8	9,210	13,210
Other non-current assets		98	-
Total non-current assets		236,397	215,084
Total assets		223,845	341,425
Current liabilities			
Trade and other payables	9	4,431	8,313
Financial liabilities	10	9,537	-
Short-term provisions	11	11,305	8,722
Total current liabilities		25,273	17,035
Non-current liabilities			
Financial liabilities	10	24,091	-
Total non-current liabilities		24,091	-
Total liabilities		49,364	17,035
Net assets		174,480	324,390
Equity			
Issued capital	12	707,509	707,509
Accumulated losses		(529,198)	(383,119)
Total equity		174,480	324,390

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		235,206	127,184
Payments to suppliers and employees		(373,566)	(296,519)
Interest Received		-	4,409
Borrowing costs paid		(2,461)	-
Net cash provided by/(used in) operating activities	13	(140,821)	(164,926)
Cash flows from investing activities			
Payments for plant and equipment		(31,700)	(62,509)
Net cash used in investing activities		(31,700)	(62,509)
Cash flows from financing activities			
Shares Issued			7,600
Dividends paid			-
Proceeds from borrowings		33,628	-
Net cash provided by/(used in) financing activities		33,628	-
Net increase/(decrease) in cash held		(138,893)	(219,835)
Cash held at the beginning of the financial year		124,341	344,176
Cash held at the end of the financial year	5	(14,552)	124,341

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Share capital (Ordinary shares) \$	Retained losses \$	Total \$
Balance at 1 July 2006	699,909	(194,194)	505,715
Shares Issued	7,600		7,600
Profit attributable to the members of the Company		(188,925)	(188,925)
Balance at 30 June 2007	707,509	(383,119)	324,390
Balance at 1 July 2007	707,509	(383,119)	324,390
Profit attributable to the members of the Company		(146,079)	(146,079)
Dividends paid or provided			
Balance at 30 June 2008	707,509	(529,198)	178,311

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Statement of significant accounting policies

Basis of preparation

The financial report has been prepared on a going concern basis after consideration by the Directors of the following matters:

- (i) The Bendigo Bank has confirmed that it will support the Company such that it will be in a position to meet its financial obligations for a period of twelve months from the date of this report.

In consideration of the above matters, the Directors believe that it is appropriate to adopt the going concern basis of accounting in the preparation of this financial report.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Fleurieu Community Enterprises Ltd. as an individual entity. Fleurieu Community Enterprises Ltd. is a listed public Company, incorporated and domiciled in Australia.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting policies

(a) Income tax

The change for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(a) Income tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	20%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(d) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(f) Intangibles

Franchise fee

The franchise fee paid by the Company pursuant to a Franchise Agreement with Bendigo Bank is being amortised over the initial five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Employee benefits

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

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(j) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative figures

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

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2008. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2008 amounting to \$Nil.

Notes to the financial statements continued

	2008 \$	2007 \$
Note 2. Revenue		
Franchise margin income	235,205	127,184
Interest revenue from:		4,409
Other parties		
	235,205	131,593

Note 3. Expenses

Rental on operating lease	-	5,000
IT leasing and running costs	21,041	21,294
Other operating expenses	359,587	282,183
Bad debts	657	303
	381,285	308,780
Remuneration of the Auditor		
- Audit services	6,410	4,500
- Other services		

Note 4. Income tax expense

No income tax is payable by the Company as it has recouped tax losses previously brought to account for income tax purposes.

At balance date, the Company had tax losses of \$457,343 (2007: \$300,042) which are available to offset future years' taxable income.

The future income tax benefit of these tax losses is \$137,203 (2007: \$106,526). This benefit has not been recognised as an asset in the statement of financial position as there is not a high probability of its realisation. It was not brought to account in previous years. The benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Company continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

Notes to the financial statements continued

	2008 \$	2007 \$
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Note 5. Cash and cash equivalents

Cash at bank and in hand	(14,552)	124,341
Short-term bank deposits		

Note 6. Other assets

Current

Prepayment	2,000	2,000
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Note 7. Property, plant and equipment

Plant and equipment

Cost	14,377	14,377
Accumulated depreciation	(6,317)	(3,437)
	8,060	10,940

Leasehold Improvements

Cost	198,423	196,446
Accumulated depreciation	(10,423)	(5,511)
	188,000	190,935

Motor vehicles at cost

Cost	31,700	-
Accumulated depreciation	(671)	-
	31,029	-
	227,089	201,875

Note 8. Intangible assets

Franchise fee

Cost	18,000	18,000
Accumulated amortisation	(8,790)	(4,790)
	9,210	13,210

Notes to the financial statements continued

Note 8. Intangible assets (continued)

Pursuant to a five year franchise agreement with Bendigo Bank, the Company operates a branch of Bendigo Bank at Aldinga Beach, trading as Aldinga Beach **Community Bank**[®] Branch, providing a core range of banking products and services. The Company entered into the franchise agreement at a cost of \$10,000 in respect of the franchise fee.

	2008	2007
	\$	\$

Note 9. Trade and other payables

Trade creditors and accruals

Other payables	4,431	8,313
Dividend		

Note 10. Financial liabilities

Current

Bank overdraft		
Chattel mortgage	9,537	
Mortgage loan		
	9,537	

Non Current

Chattel mortgage	24,091	-
Mortgage loan		
	24,091	-

Security:

The bank overdraft and mortgage loan are secured by a floating charge over the Company's assets.

Note 11. Provisions

Provision - employee entitlements	11,305	8,722
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Notes to the financial statements continued

	2008 \$	2007 \$
Note 12. Issued capital		
724,815 ordinary shares fully paid	707,509	707,509

Note 13. Cash flow information

(a) Reconciliation of cash flow from operations with profit after tax

Profit after tax	(146,079)	(188,925)
Dep'n and amortisation	11,792	11,738
Movement in assets and liabilities		
Receivables		
Other assets		8,848
Payables	(3,951)	(306)
Deferred tax asset	-	-
Provisions	(2,583)	3,719
Net cash (used in) operating activities	(140,821)	(164,926)

Note 14. Related party transactions

Two related party transactions have occurred during the year, namely the provision of Accounting Services and the provision of rented premises. The Directors are satisfied that these have been provided on an arms length basis at Market rates or better.

Note 15. Leasing commitments

Non cancellable operating lease commitment contracted for but not capitalised in the financial statements

Payable		
Not longer than 1 year	34,166	23,000
Longer than 1 year but not longer than 5 years	97,500	161,001

Notes to the financial statements continued

Note 16. Financial instruments

(a) Interest rate risk

2008	Rates	Variable	Fixed 1 year	Fixed 1 to 5 years	Non-interest	Total
Financial assets	Nil				(14,552)	(14,552)
Cash and equivalents						
Receivables						
Financial liabilities						
Payables	Nil				(4,431)	(4,431)
Interest bearing						
Provisions						
2007	Rates	Variable	Fixed 1 year	Fixed 1 to 5 years	Non-interest	Total
Financial assets						
Cash assets	3.75%	344,176				344,176
Receivables						
Financial liabilities						
Payables	Nil				(13,612)	(13,612)
Interest bearing						
Provisions						

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

(c) Net fair values

The net fair value of financial assets and liabilities of the Company approximates their carrying amount.

The Company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Notes to the financial statements continued

Note 17. Segment reporting

The Company operates in the financial services sector as a branch of Bendigo Bank in South Australia.

Note 18. Events after the balance sheet date

No matters or circumstances have arisen since the end of the financial year that 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 subsequent financial years.

Note 19. Contingent liabilities

There were no contingent liabilities at the reporting date.

Note 20. Changes in accounting policy

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB amendment	Standards affected	Outline of amendment	Application date of standard	Application date for group
AASB 2005–10: Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 133: Earnings per Share AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	1 Jan 2007	1 July 2007
AASB 7: Financial Instruments: Disclosures	AASB 132: Financial Instruments: Disclosure and Presentation	As above	1 Jan 2007	1 July 2007

Notes to the financial statements continued

Note 21. Company details

The registered office and principal place of business of the Company is:

Shop 32, Aldinga Central Shopping Centre,
1 Pridham Boulevard,
Aldinga Beach SA 5173

Director's declaration

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



George Apap
Director



Adam Lucey
Director



John Martin
Director



George Lucey
Director



Anthony Dutton
Director



Graham Marshall
Director



Stanley Beck
Director



Peter Smith
Director



Narelle Looker
Director

Dated 2 October 2008.

Independent audit report



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLEURIEU COMMUNITY ENTERPRISES LTD
t/a ALDINGA BEACH COMMUNITY BANK
30 JUNE 2008

Report on the Financial Report

We have audited the accompanying financial report of Fleurieu Community Enterprises Ltd. t/a Aldinga Beach Community Bank (the Company), 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.

As permitted by the Corporation Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosure), required by Accounting Standard AASB 124: Related Part Disclosure, under the heading 'Remuneration Report' in the directors' report and not in the financial report.

Directors' responsibility for the Financial Report

The directors of the company 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 establishing and maintaining internal control 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, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The Directors are also responsible for preparation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend in the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 in 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Partners
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Steven P Moore
James R Orchard
Samuel A Facy
Benjamin F Willington

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Independent audit report continued



Independence

In concluding our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Fleurieu Community Enterprises Ltd. t/a Aldinga Beach Community Bank on 30th September 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- a) the financial report of Fleurieu Community Enterprises Ltd. t/a Aldinga Beach Community Bank is 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 year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

ACCRU+ HARRIS ORCHARD

A handwritten signature in black ink, appearing to read "Ben Willington".

BEN WILLINGTON
Partner

Dated in Adelaide on 7/10/08

Aldinga Beach **Community Bank**[®] Branch
Shop 32, Aldinga Central Shopping Centre,
1 Pridham Boulevard, Aldinga Beach SA 5173
Phone: (08) 8557 8166 Fax: (08) 8557 8177

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PO Box 447, Aldinga Beach SA 5173
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