

FLEURIEU COMMUNITY ENTERPRISES LIMITED
ABN 72 116 550 157
Financial Report for the year ended 30 June 2009

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This is annexure A of 28 pages referred
to in Form 388: Copy of financial
statements and reports



Director

Dated this 6th day of November 2009

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Chairman's Report

For the year ending 30 June 2009

I am pleased to report to you on the progress on behalf of the Board of Directors, for the financial year ending 30 June 2009. We have had a change on our Board with Rob Baxter replacing Karen Suter. Rob is employed by Bendigo and Adelaide Bank in Adelaide and brings to the Board a lot of banking knowledge. We had one change in staff with Darren Walker replacing Sheena. Sheena left as her husband started a new job in W.A. Darren has adapted to our bank very quickly and our Manager, staff and the Board are very pleased with his contribution so far.

Performance

The Aldinga Beach Community Bank's progress has been good – the best out of our three years since establishment. We have had a record number of new customers joining our Community Bank®. We have also had the largest financial increase in income. We should be breaking even by now, however due to the Global Economic Crisis, the margins on loans did not perform as expected, which has delayed our break even point. We expect that next years report will bear this out.

Sponsorship and Community Projects

Our sponsorship allocation from Bendigo and Adelaide Bank has grown as the bank has increased its financial position. I am pleased to report that our **Community Bank®** has distributed over \$12,000 to local sports and community groups.

Board of Directors

In accordance with the Company Constitution, three Directors will be retiring and may re-nominate for the same position. Any shareholder may nominate for a position on the Board. Forms for nominating were issued with the Preliminary AGM Notice. The election if required will take place by those attending the AGM and by those completing and returning the Proxy Form that accompanies the Annual Report. I am pleased to report that once again I am totally satisfied with the work done by all Directors.

Finally, on behalf of the Board of Directors I want to thank the Manager, Heather Jones for her hard work and dedication and our dedicated staff. I would also like to thank the Board Directors and you - the shareholders, for your contribution to the success of our Aldinga Beach **Community Bank®**.

If you have any enquiries, please do not hesitate to contact me on 08 8556 6326 or 0420 291 068.

Yours sincerely



Cr George Apap JP
Chairman
Fleurieu Community Enterprises Limited.

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Manager's Update

Financial Year ended 30 June 2009

This past 12 months has certainly been a challenging and exciting one for our branch. Although the World Economic Crisis was a surprise and affected everyone, including our Bank's margins and hence profitability, we continued to work very hard increasing our business day by day.

We said a sad farewell to our Supervisor, Sheena Phillips who has moved to WA with her husband. Sheena was an original staff member at the opening of our branch and worked tirelessly at all times to help our team achieve success. We welcomed new staff member, Darren Walker, in April 2009 as a Customer Relationship Officer with a lending background, and as a local in Aldinga Beach, he has fitted into our branch team wonderfully. Darren will help with managing the existing loan portfolio growth we are seeing, as well as our deposit portfolio growth.

As at 30 June 2009, our deposit and loan portfolio was standing at \$34.3 million with 1900 customers who hold an average of 1.6 products with us. This was an increase of \$11.8 million over the 12 months, averaging almost \$1million in growth per month. We also grew our customer base by over 20% and increased the number of products the customers have with us. To continue this growth we need as many people as possible to bank with our Bank to achieve profitability as quickly as we can.

Thank you to the board of directors for their support, my hard working staff for their support and of course to our customers for their continued support.

Heather Jones
Manager
Aldinga Beach **Community Bank®** Branch

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Bendigo and Adelaide Bank Ltd Report

For year ending 30 June 2009

2008/09 will go down as one of the most tumultuous financial years in history. The global financial crisis and its aftermath wiped trillions of dollars off the world's net wealth. Some of the biggest names in international banking disappeared; many other banks – vastly bigger than Bendigo and Adelaide Bank Ltd – turned to governments to bail them out. Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

In short, we have seen the biggest financial meltdown since the Great Depression of nearly 80 years ago

Amidst all that turmoil, though, our grassroots banking movement marched steadily on. Twenty new **Community Bank®** branches joined Bendigo and Adelaide Bank Ltd's national network. Around 120,000 new customers switched to the Bendigo style of banking. And 70 more communities continued their local campaign to open a **Community Bank®** branch.

Those statistics are impressive in themselves, but it is the story behind them that is really important.

That's the story of ordinary people – an awful phrase, but you know what I mean – who inherently understand that the role of a bank is to feed into prosperity, rather than profit from it. That lesson was forgotten by many bankers across the globe, with devastating consequences. But it is now well understood by the residents of 237 towns and suburbs that own their own **Community Bank®** branch, because every day they see the fruits of their investment in locally owned banking.

Again, the statistics are impressive enough – \$29 million paid out in community projects and nearly \$11 million in local shareholder dividends. But again, the real stories lie behind the numbers – new community centres and fire trucks, more local nurses, new walking tracks and swimming pools, safer young drivers, more trees and fewer wasteful incandescent globes, innovative water-saving projects... the list goes on.

And of course more money retained and spent locally. And more jobs. Fifteen hundred or so just in the branches alone. More because of the flow-on, or multiplier, effect of those wages being spent locally. And yet more because of the extra shopping now done in communities made more prosperous and active by having their own bank branch.

Community Bank® branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, they have received less income than in normal times. But also like Bendigo and Adelaide Bank Ltd, they have not needed anyone's help to get through this crisis. And every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities. For the better of all.



Russell Jenkins
Chief General Manager

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Directors' Report

Your Directors present their report together with the financial report of the Company for the year ended 30 June 2009.

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- resigned Feb 2009)
RGM Baxter (appointed 22 April 2009)

George Apap JP

Chairman.

Member of Audit, Financial Management & Governance; Community Grants Program, Marketing and Promotions; Community Vision and AGM Organising Sub-committees.

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, Business Development and Asset Management; Audit, Financial Management & Governance and proxy for Human Resources 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.

Member of Business Planning, Business Development and Asset Management; Audit, Financial Management & Governance 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

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Directors' Report

Narelle Susan Looker

Company Secretary

Records Manager; member of Audit, Financial Management & Governance; Human Resources; Community Vision and AGM Organising Sub-committees.

Booking Officer Aldinga / Sellicks Community Halls 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

Member of Audit, Financial Management & Governance; Community Grants Program, Marketing and Promotions and AGM Organising Sub-committees.

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. Retired.

George Francis Lucey

Director

Business Planning, Business Development and Asset Management 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 School Banking 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

Member of Business Planning, Business Development and Asset Management; Human Resources and Community Vision 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.

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Directors' Report

Peter John Smith

Director

Audit, Financial Management & Governance and Community Grants Program, Marketing and Promotions Sub-committees.

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)

Resigned 22 February 2009 due to work commitments

Robert Geoffrey Martin Baxter

Director (elected by Board on 22nd April 2009).

Member of Community Vision and School Banking Sub-committees.

Chartered Accountant with 20 years plus of International Banking experience. Senior Manager of Bendigo and Adelaide Bank, Fund Management Division from March 2007,

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



Narelle Looker
Company Secretary
Directors' Report

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Directors' Report

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	10
Adam Lucey	12	10
Anthony Dutton	12	11
Narelle Looker	12	10
Stanley Beck	12	12
George Lucey	12	10
Graham Marshall	12	8
John Martin	12	7
Peter Smith	12	9
Karen Suter	7	1
Robert Baxter	3	3

Shareholdings

	Balance at incorporation	Options exercised	Net change Others *	Balance 30 June 2009
Directors				
George Apap	-	-	-	2,001
Stanley Beck	-	-	-	2,001
Anthony Dutton	-	-	-	1001
Narelle Looker	-	-	-	1001
Adam Lucey & George Lucey	-	-	-	65,001
Graham Marshall	-	-	-	1001
John Martin	-	-	-	5001
Peter Smith	-	-	-	10001
Karen Suter			-	1000
Robert Baxter	-	-	-	0

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Directors' Report

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 \$148,358

Dividends paid or recommended

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

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Directors' Report

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.

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.

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

Directors' Report

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.

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
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Directors' Report

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 2009:

Non Audit services: \$nil

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



George Apap
Chairman



Narelle Looker
Secretary

Dated this 6th day of November 2009

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

DIRECTORS' 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



Anthony Dutton
Director



Narelle Looker
Director



Stanley Beck
Director



George Lucey
Director



Graham Marshall
Director



John Martin
Director



Peter Smith
Director



Karen Suter
Director



Rob Baxter
Director

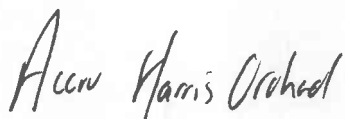
Dated this 6th day of November 2009

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO DIRECTORS OF
FLEURIEU COMMUNITY ENTERPRISES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

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

assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.



ACCRU⁺ HARRIS ORCHARD



BEN WILLINGTON
Partner

Adelaide, SA

Dated: 30/10/2009

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLEURIEU COMMUNITY ENTERPRISES LTD
30 JUNE 2009**

Report on the Financial Report

We have audited the accompanying financial report of Fleurieu Community Enterprises Ltd (the Company), which comprises the balance sheet as at 30 June 2009, 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 true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumptions of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 and 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.

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 on 30th October 2009, 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 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 2009 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.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the fact that the company incurred a net loss of \$148,358, and had negative net operating cash flows of \$153,876 for the year ended 30 June 2009. As of that date the company's equity amounted to \$28,123. These conditions indicate (without the unconditional support by Bendigo Bank as described in Note 1) the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

ACCRU⁺ HARRIS ORCHARD



BEN WILLINGTON
Partner

Dated: 11/11/2009

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

INCOME STATEMENT

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	287,017	235,205
Employee benefits expense			
Depreciation and amortisation expense	3	(19,545)	(11,792)
Finance costs			-
Other expenses	3	<u>(415,830)</u>	<u>(369,492)</u>
Profit before income tax expense		(148,358)	(146,079)
Income tax expense	4	<u>-</u>	<u>-</u>
Profit attributable to members		<u>(148,358)</u>	<u>(146,079)</u>
Overall Operations			
Basic earnings per share (cents per share)		(20)	(20)
Diluted earnings per share (cents per share)		(20)	(20)

The accompanying notes form part of these financial statements

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

BALANCE SHEET

As at 30 June 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	300	(14,552)
Trade and other receivables		-	-
Other current assets	6	2,483	2,000
TOTAL CURRENT ASSETS		<u>2,783</u>	<u>(12,552)</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	211,544	227,089
Intangible assets	8	5,210	9,210
Other non-current assets		-	97
TOTAL NON-CURRENT ASSETS		<u>216,754</u>	<u>236,396</u>
TOTAL ASSETS		<u>219,537</u>	<u>223,844</u>
CURRENT LIABILITIES			
Trade and other payables	9	10,662	4,431
Financial liabilities	10	168,428	9,537
Short-term provisions	11	12,324	11,305
TOTAL CURRENT LIABILITIES		<u>191,414</u>	<u>25,273</u>
NON-CURRENT LIABILITIES			
Financial liabilities	10	-	24,091
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>24,091</u>
TOTAL LIABILITIES		<u>191,414</u>	<u>49,364</u>
NET ASSETS		<u>28,123</u>	<u>174,480</u>
EQUITY			
Issued capital	12	724,815	707,509
Accumulated losses		(696,692)	(533,029)
TOTAL EQUITY		<u>28,123</u>	<u>174,480</u>

The accompanying notes form part of these financial statements

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

	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)
Equity Adjustment		(3,831)	(3,831)
	<u>707,509</u>	<u>(386,950)</u>	<u>320,559</u>
Balance at 30 June 2007			
Balance at 1 July 2007	707,509	(386,950)	320,559
Profit attributable to the members of the Company		(146,079)	(146,079)
	<u>707,509</u>	<u>(533,029)</u>	<u>174,480</u>
Balance at 30 June 2008			
Balance at 1 July 2008	707,509	(533,029)	17,480
Profit attributable to the members of the Company		(148,358)	(148,358)
Initial Expenses	17,306	(17,306)	-
	<u>724,815</u>	<u>(696,692)</u>	<u>28,123</u>
Balance at 30 June 2009			

The accompanying notes form part of these financial statements

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

CASH FLOW STATEMENT

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		285,034	235,206
Payments to suppliers and employees		(431,737)	(373,566)
Interest Received		1,983	-
Borrowing costs paid		(9,156)	(2,461)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		(153,876)	(140,821)
		<hr/>	<hr/>
Cash flows from investing activities			
Payments for plant and equipment		-	(31,700)
		<hr/>	<hr/>
Net cash used in investing activities		-	(31,700)
		<hr/>	<hr/>
Cash flows from financing activities			
Shares Issued		-	-
Dividends paid		-	-
Proceeds from borrowings		-	33,628
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		-	33,628
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(153,876)	(138,893)
Cash held at the beginning of the financial year		(14,552)	124,341
		<hr/>	<hr/>
Cash held at the end of the financial year	5	(168,428)	(14,552)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements

**FLEURIEU COMMUNITY ENTERPRISES LIMITED t/a
ALDINGA BEACH COMMUNITY BANK®**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009**

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

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asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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.

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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.

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:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
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.

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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.

(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.

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(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.

(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.

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(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.

(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.

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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 2009. 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 2009 amounting to \$nil.

	2009	2008
	\$	\$
2. Revenue		
Franchise Margin Income	285,034	235,205
Interest Revenue	1,983	-
	<u>287,017</u>	<u>235,205</u>
3. Expenses		
Rental on operating lease	-	-
IT leasing and running costs	19,545	21,041
Other operating expenses	415,594	359,587
Bad debts	237	657
	<u>435,376</u>	<u>381,285</u>
Remuneration of the auditor		
- Audit services	7,324	6,410
- Other services	-	-
	<u></u>	<u></u>

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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 \$615,113 which are available to offset future years' taxable income.

The future income tax benefit of these tax losses is \$184,534. 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:

- (a) 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;
- (b) the Company continues to comply with the conditions for deductibility imposed by the law; and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

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	2009 \$	2008 \$
5. Cash and cash equivalents		
Cash at bank and in hand	300	(14,552)
Short-term bank deposits	<u> </u>	<u> </u>
6. Other current assets		
GST receivable	-	-
Prepayment	<u>2,483</u>	<u>2,000</u>
	2009 \$	2008 \$
7. Property, plant and equipment		
Plant and equipment		
Cost	14,377	14,377
Accumulated depreciation	(9,197)	(6,317)
	5,180	8,060
Leasehold Improvements		
Cost	198,423	198,423
Accumulated Depreciation	(15,331)	(10,423)
	183,092	188,000
Motor Vehicles at cost		
Cost	31,700	31,700
Accumulated Depreciation	8,428	(671)
	23,272	31,029
	211,544	227,089
8. Intangible Assets		
Franchise Fee	18,000	18,000
Accumulated Amortisation	(12,790)	(8,790)
	5,210	9,210
9. Trade and other payables		
Other Payables	10,662	4,431

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	<u>2009</u> \$	<u>2008</u> \$
10. Financial liabilities		
Current		
Bank overdraft	144,168	
Chattel Mortgage	24,259	9,537
Mortgage loan		
	<u>168,427</u>	<u>9,537</u>
Non Current		
Chattel Mortgage	-	-
Mortgage loan	-	-
	<u>-</u>	<u>-</u>
<i>Security:</i>		
The bank overdraft and mortgage loan are secured by a floating charge over the Company's assets.		
11. Provisions		
Provision - Employee Entitlements	<u>12,324</u>	<u>11,305</u>
12. Issued Capital		
724,815 ordinary shares fully paid	<u>724,815</u>	<u>707,509</u>

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13. 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.

14. Segment reporting

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

15. 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.

16. Contingent liabilities

There were no contingent liabilities at the reporting date

17. 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.

18. Leasing commitments

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

Payable

- Not longer than 1 year

- Longer than 1 year but not longer than 5 years

2009
\$

2008
\$

48,750

34,166

63,334

97,500

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19. Financial instruments

(a) Interest rate risk
2009

	Rates	Variable	Fixed 1 year	Fixed 1 to 5 year s	Non- interest	Total
Financial Assets	Nil				300	300
Cash and equivalents						
Receivables						
Financial Liabilities						
Payables	Nil				(10,662)	(10,662)
Interest bearing		(168,428)				(168,428)
Provisions						

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2008

	Rates	Variable	Fixed	Non- interest	Total
			1 year	1 to 5 year s	
Financial Assets					
Cash assets	Nil			(14,552)	(14,552)
Receivables					
Financial Liabilities					
Payables	Nil			(4,431)	(4,431)
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.

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20. Segment reporting

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

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	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 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			
	AASB 132: Financial Instruments: Disclosure and Presentation	As above	1 Jan 2007	1 July 2007
AASB 7: Financial Instruments: Disclosures				

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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