

2008 annual report



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Chairman's report

For year ending 30 June 2008

We celebrated our opening on 11 December 2007 at 63 Mulgrave Street. Our **Community Bank**[®] branch was the 205th to open and commenced trading on 12 December 2007. On 15 March we opened an ATM at Mount Perry, meeting the considerable need for more banking services in that area. This has been well received and has added to our support base.

Robert Atherton was the successful applicant for the position of Branch Manager and is supported by a capable and conscientious team both within the **Community Bank**[®] branch and from Bendigo Bank, our franchise partner in this venture. The staff has successfully assisted our customers in personal and business banking, together with insurances and lending. The staff look forward to assisting you, your friends and colleagues in the future.

This AGM covers a seven month period since opening, so there are few financial performance figures to report. We did achieve a milestone, reaching more than 10 million in new business at the end of the June 2008.

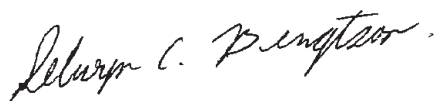
As at 30 June 2008, the Gin Gin **Community Bank**[®] Branch issued share certificates of \$681,509 to 281 people. We would like to thank the shareholders of this small rural based community and congratulate everyone involved in the success of this venture.

The Board convenes monthly to review the **Community Bank**[®] Company's performance and to form strategies on how to grow the business and eventually achieve profit and provide grants to our local community groups. We have come a long way since the fortnightly steering committee meetings, and we would like to thank all the committee members and volunteers for their diligence and commitment to building this business.

I would acknowledge the teamwork and commitment of fellow Directors, particularly the treasurer 'Susan Bengtson', Secretary 'Ann Bradford' and vice chairman 'Arthur Dingle'.

I would like to pay tribute to a fellow Director Doug Warmington who passed away in April 2008. Doug was a great supporter and we miss his contribution.

We would like the shareholders to consider the benefits of banking with the Gin Gin **Community Bank**[®] Branch, as the benefit to your community in the future will be considerable. I look forward to the commencement of the profitable years for the Company. We are moving ahead with great support from our community and believe we will be a success story and inspiration for other **Community Bank**[®] branches, the shareholders and community of Gin Gin.



With thanks,

Selwyn Bengtson

Chairman

Manager's report

For year ending 30 June 2008

I would like to introduce myself and staff at Gin Gin **Community Bank**[®] Branch.

Robert Atherton	Branch Manager
Emily Lewis-Shell	Senior Customer Service Officer
Melissa Williamson	Customer Service Officer
Patricia George	Customer Service Officer
Kylie Maughan	Customer Service Officer

On behalf of the team I would like to thank you for your ongoing support and commitment. We are proud of the spacious facility we have that makes our customers feel welcome and relaxed. I would also like to thank the staff for their ongoing commitment and continual support.

I have been in the banking and security industry for the past 16 years and it is great to be part of such a community-minded bank. Director Brian Flanders and I attended the State Conference in April 2008. We were joined by hundreds of other **Community Bank**[®] Directors and branch staff. Positive discussions and actions took place that will help build our successful business. The accomplishments of other **Community Bank**[®] Branches is an indication of what Gin Gin **Community Bank**[®] Branch can achieve with ongoing support.

At 30 August 2008, the Gin Gin branch had achieved \$15 million in business since opening its doors in December 2007. Our aim is to grow to \$25 million by June 2009. This will allow us to become profitable within three years of opening, resulting in considerable benefits to the shareholders and community.

The commitment from shareholders, the steering committee and the current Board is responsible for the success this branch has already achieved. The support that we have received to date from the community is a measure of your commitment to the future of our **Community Bank**[®] branch.

We welcome all shareholders to visit our branch to see what the Gin Gin **Community Bank**[®] Branch has to offer.

As shareholders, you are an integral part of our strategy to grow our customer base. You can help us by recommending us to your family, friends, neighbours, colleagues and business partners.

The team at Kolan / Perry Enterprises Pty Ltd is committed and passionate about service and the success of the Gin Gin **Community Bank**[®] Branch.



Robert Atherton

Directors' report

For year ending 30 June 2008

Your Directors submit the financial report of the Company for the financial year ended 30 June 2008.

Directors

The names and details of the Company's Directors who held office during or since the end of the financial year:

Selwyn Colin Bengtson

Chairman

Age: 65

Farmer/Grazier

Director, Isis Canegrowers & Chairman, Chaplaincy committee.

Interests in shares: 4,001

Anne-Louise Bradford

Secretary

Age: 57

Home Duties

P & C Committee, Gin Gin Auto Group & Historical Society member.

Interests in shares: 501

Beryl Jean Dingle-McLennan

Director

Age: 42

Secretary

Committee member of several local voluntary groups.

Interests in shares: 2,501

Arthur David Thomas Dingle

Director

Age: 65

Grazier

Long time resident who has held committee positions with several groups including President of Mount Perry Show. He has also been a local councillor.

Interests in shares: 60,001

Douglas Kenneth Warmington

Director (Deceased 7 April 2008)

Susan Louise Bengtson

Treasurer

Age: 34

Teachers Aide

Treasurer of Local Ambulance Comm & AP&I society Catering Ladies.

Interests in shares: 5,501

Brian William Flanders JP

Director

Age: 65

Councillor

Treasurer of Burnett catchment care Ass, Show Society & Wild Scotchman festival, JP community committees.

Interests in shares: 1,001

Directors' report continued

Paul Robert Stehbens

Director

Age: 42

School Teacher

Committee member of several local voluntary groups. Owner/operator of local business

Current President of Show Society.

Interests in shares: 5,001

Kevin George Jensen

Director

Age: 55

Businessman

Owner/operator of local business

Interests in shares: 501

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

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

Company Secretary

The Company Secretary, Anne-Louise Bradford was appointed to the position of Secretary on 18 January 2007. Ann had a long career in the manufacturing industry in Brisbane where she held a number of roles. Since moving to Gin Gin, she has been involved with the Gin Gin State School P & C, the Gin Gin CAR Group and also the Historical Society.

Principal activities

The principal activities of the Company during the course of the financial year were in facilitating community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

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

Operating results

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

	Year ended 30 June 2008	Year ended 30 June 2007
	\$	\$
	(213,200)	-

Dividends

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Directors' report continued

Likely developments

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

Environmental regulation

The Company is not subject to any significant environmental regulation.

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnification and insurance of Directors and Officers

The Company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Manager of the Company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors meetings

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

	Number of Board Meetings eligible to attend	Number attended:
Selwyn Colin Bengtson	14	13
Susan Louise Bengtson	14	14
Anne-Louise Bradford	14	13
Brian William Flanders JP	14	12
Beryl Jean Dingle-McLennan	14	8
Douglas Kenneth Warmington (Deceased 7 April 2008)	11	9
Paul Robert Stehbens	14	12
Arthur David Thomas Dingle	14	8
Kelvin George Jensen	14	10

Directors' report continued

Non audit services

The Company may decide to employ the Auditor on assignments additional to their statutory duties where the Auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the Auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The Board of Directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the Auditor, as set out in the notes did not compromise the Auditor independence requirements of the Corporations Act 2001 for the following reasons:

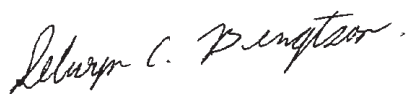
all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;

none of the services undermine the general principles relating to Auditor independence as set out in Professional Statement F1, including reviewing or auditing the Auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

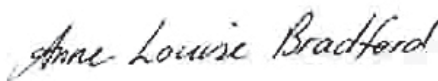
Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Signed in accordance with a resolution of the Board of Directors at Gin Gin, Queensland on 5 September 2008.



Selwyn Colin Bengtson, Chairman



Anne-Louise Bradford, Secretary

Directors' report continued



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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Kolan/Perry Community Enterprises Limited

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

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

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 5th day of September 2008

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	3	42,477	-
Salaries and employee benefits expense		(238,378)	-
Advertising and promotion expenses		(2,891)	-
Occupancy and associated costs		(10,102)	-
Systems costs		(21,943)	-
Depreciation and amortisation expense	4	(26,290)	-
General administration expenses		(48,599)	-
Profit/(loss) before income tax expense/credit		(305,726)	-
Income tax credit	5	92,526	-
Profit/(loss) for the period		(213,200)	-
Profit/(loss) attributable to members of the entity		(213,200)	-
Earnings per share (cents per share)		c	c
- basic for profit for the year	21	(31.24)	-

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
ASSETS			
Current assets			
Cash assets	6	179,757	9
Trade and other receivables	7	3,244	-
Total current assets		183,001	9
Non-current assets			
Property, plant and equipment	8	190,266	-
Intangible assets	9	8,833	-
Deferred tax assets	10	92,526	-
Total non-current assets		291,625	-
Total assets		474,626	9
LIABILITIES			
Current liabilities			
Trade and other payables	11	16,339	-
Provisions	12	8,279	-
Total current liabilities		24,618	-
Total liabilities		24,618	-
Net assets		450,008	9
Equity			
Issued capital	13	663,208	9
Accumulated losses	14	(213,200)	-
Total equity		450,008	9

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		32,054	-
Payments to suppliers and employees		(295,910)	-
Interest paid		(168)	-
Interest received		1,982	-
Net cash used in operating activities	15	(262,042)	-
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(215,389)	-
Payments for intangible assets		(10,000)	-
Net cash used in investing activities		(225,389)	-
Cash Flows From Financing Activities			
Proceeds from issues of equity securities		682,500	9
Payment for share issue costs		(15,321)	-
Net cash provided by financing activities		667,179	9
Net increase in cash held		179,748	9
Cash at the beginning of the financial year		9	-
Cash at the end of the financial year	6(a)	179,757	9

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Note	2008 \$	2007 \$
Total equity at the beginning of the period		9	-
Net profit/(loss) for the period		(213,200)	-
Net income/expense recognised directly in equity		-	-
Dividends provided for or paid		-	-
Shares issued during period		682,500	9
Costs in issuing shares		(19,301)	-
Total equity at the end of the period		450,008	9

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Summary of significant accounting policies

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

Historical cost convention

The financial report has been prepared under the historical cost conventions on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable for the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operation cash flows.

Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Income tax (continued)

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Employee entitlements

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.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Intangibles

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Cash

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

Comparative figures

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

Property, plant and equipment

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

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

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

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

Critical accounting estimates and judgements

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

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

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

Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed equity

Ordinary shares are recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the financial statements continued

Note 2. Financial risk management

The Company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

(i) Market risk

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The Company is not exposed to commodity price risk.

(iii) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The Company's franchise agreement limits the Company's credit exposure to one financial institution, being Bendigo Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

Notes to the financial statements continued

	2008 \$	2007 \$
Note 3. Revenue from ordinary activities		
Operating activities:		
- services commissions	38,561	-
- other revenue	-	-
Total revenue from operating activities	38,561	-
Non-operating activities:		
- interest received	3,916	-
Total revenue from non-operating activities	3,916	-
Total revenues from ordinary activities	42,477	-

Note 4. Expenses

Depreciation of non-current assets:		
- plant and equipment	18,794	-
- leasehold improvements	6,329	-
Amortisation of non-current assets:		
- franchise agreement	1,167	-
	26,290	-
Finance costs:		
- interest paid	168	-

Notes to the financial statements continued

	2008 \$	2007 \$
Note 5. Income tax expense		
The components of tax expense comprise:		
- Current tax	-	-
- Deferred tax on provisions	(2,484)	-
- Recoupment of prior year tax losses	(90,042)	-
- Future income tax benefit attributable to losses	-	-
	(92,526)	-

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

Operating profit/(loss)	(305,726)	-
Prima facie tax on profit/(loss) from ordinary activities at 30%	(91,718)	-
Add tax effect of:		
- non-deductible expenses	350	-
- timing difference expenses	2,484	-
- blackhole expenses	(1,158)	-
Current tax	(90,042)	-
Movement in deferred tax	10. (2,484)	-
	(92,526)	-

Note 6. Cash assets

Cash at bank and on hand	59,757	9
Term deposits	120,000	-
	179,757	9

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

6(a) Reconciliation of cash

Cash at bank and on hand	59,757	9
Term deposit	120,000	-
	179,757	9

Notes to the financial statements continued

	2008 \$	2007 \$
Note 7. Trade and other receivables		
Trade receivables	3,244	-

Note 8. Property, plant and equipment

Plant and equipment

At cost	52,698	-
Less accumulated depreciation	(18,794)	-
	33,904	-

Leasehold improvements

At cost	162,691	-
Less accumulated depreciation	(6,329)	-
	156,362	-

Total written down amount	190,266	-
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Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	-	-
Additions	52,698	-
Disposals	-	-
Less: depreciation expense	(18,794)	-
Carrying amount at end	33,904	-

Leasehold improvements

Carrying amount at beginning	-	-
Additions	162,691	-
Disposals	-	-
Less: depreciation expense	(6,329)	-
Carrying amount at end	156,362	-

Total written down amount	190,266	-
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Notes to the financial statements continued

	2008 \$	2007 \$
Note 9. Intangible assets		
Franchise fee		
At cost	10,000	-
Less: accumulated amortisation	(1,167)	-
	8,833	-

Note 10. Deferred tax

Deferred tax asset		
- Opening Balance	-	-
Future income tax benefits attributable to losses	90,042	-
Deferred tax on provisions	2,484	-
- Closing Balance	92,526	-

Note 11. Trade and other payables

Trade creditors	14,339	-
Other creditors & accruals	2,000	-
	16,339	-

Note 12. Provisions

Employee provisions	8,279	-
Number of employees at year end	4	-

Note 13. Contributed equity

682,509 Ordinary shares fully paid of \$1 each (2007: 9)	682,509	9
Less: equity raising expenses	(19,301)	-
	663,208	9

Notes to the financial statements continued

	2008 \$	2007 \$
Note 14. Accumulated losses		
Balance at the beginning of the financial year	-	-
Net profit/(loss) from ordinary activities after income tax	(213,200)	-
Dividends paid	-	-
Balance at the end of the financial year	(213,200)	-

Note 15. Statement of cashflows

Reconciliation of loss from ordinary activities after tax to net cash provided by operating activities

Loss from ordinary activities after income tax	(213,200)	-
Non cash items:		
- depreciation	25,123	-
- amortisation	1,167	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(3,244)	-
- (increase)/decrease in other assets	(92,526)	-
- increase/(decrease) in payables	12,359	-
-increase/(decrease) in provisions	8,279	-
Net cashflows provided by/(used in) operating activities	(262,042)	-

Note 16. Auditors' remuneration

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

- audit & review services	3,000	-
- non audit services	5,660	-
	8,660	-

Notes to the financial statements continued

Note 17. Director and related party disclosures

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

Selwyn Colin Bengtson

Susan Louise Bengtson

Anne-Louise Bradford

Brian William Flanders JP

Beryl Jean Dingle-McLennan

Douglas Kenneth Warmington (Resigned 7 April 2008)

Paul Robert Stehbens

Arthur David Thomas Dingle

Kelvin George Jensen

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

	2008 \$	2007 \$
Directors shareholdings		
Selwyn Colin Bengtson	4,001	1
Susan Louise Bengtson	5,501	1
Anne-Louise Bradford	501	1
Brian William Flanders JP	1,001	1
Beryl Jean Dingle-McLennan	2,501	1
Douglas Kenneth Warmington (Deceased 7 April 2008)	-	1
Paul Robert Stehbens	5,001	1
Arthur David Thomas Dingle	60,001	1
Kelvin George Jensen	501	1

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

Note 18. Key management personnel disclosures

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

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

Notes to the financial statements continued

	2008	2007
	\$	\$
Note 19. Earnings per share		
(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	(213,200)	-
	2008	2007
	Number	Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	682,509	9

Note 20. Events occurring after the balance sheet date

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

Note 21. Contingent liabilities

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

Note 22. Segment reporting

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

23. Registered office/Principal place of business

The registered office and principal place of business is:

Registered office

63 Mulgrave Street

Gin Gin QLD 4671

Principal place of business

63 Mulgrave Street

Gin Gin QLD 4671

Notes to the financial statements continued

24. Financial Instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The Company does not have any unrecognised financial instruments at the year end.

Credit risk

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

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

Interest rate risk

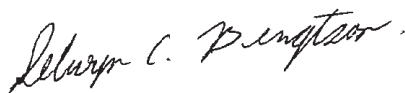
Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash assets	59,757	-	-	-	-	-	-	-	-	9	0.05	Nil
Term deposit	-	-	120,000	-	-	-	-	-	-	-	7.95	N/A
Receivables	-	-	-	-	-	-	-	-	3,244	-	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	16,339	-	N/A	N/A

Director's declaration

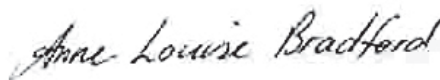
In accordance with a resolution of the Directors of Kolan/Perry Community Enterprises Limited, we state that: In the opinion of the Directors:

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

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



Selwyn Colin Bengtson, Chairman



Anne-Louise Bradford, Secretary

Signed on the 2nd of September 2008.

Independent audit report



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ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Kolan/Perry Community Enterprises Limited

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

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 Related Party Disclosures ("Remuneration disclosures"), under the heading "Remuneration Report" in the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the director's report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures comply with Accounting Standards AASB 124 Related Party Disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent audit report continued

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the director's report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

- 1) The financial report is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Kolan/Perry Community Enterprises Limited as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2) The financial report also complies with International financial reporting standards as disclosed in Note 1.
- 3) The remuneration disclosures that are contained in the director's report comply with Accounting Standards AASB 124 Related Party Disclosures.



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

Dated this 5th day of September 2008

Gin Gin **Community Bank**[®] Branch
63 Mulgrave Street, Gin Gin QLD 4671
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Franchisee: Kolan/Perry Community Enterprises Limited
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Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (KKQAR8011) (09/08)