

Inglewood & Districts

Community Enterprises Limited

Financial Statements

for the half-year ended

31 December 2011

Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2011.

Directors

The names of directors who held office during the half year and until the date of this report are as below:

Maxwell Charles Higgs

George Arthur Wyatt

Terence William Mangles

Dale Thomas Jackson

Andrew Richard Smith

Pauline Elletson

Heather Louise Chamberlain

Simon Patrick Tuohey

Jill McFarlane

Steven John Smith

Kenneth John Canfield

Colleen Condliffe (*Appointed 17 November 2011*)

Allan Maurice Bunnnett (*Resigned 17 November 2011*)

Principal Activities

The principal activity of the company during the course of the financial period was in facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review and Results of Operations

During the period the Board has worked with the Wedderburn community to form a Wedderburn Community Bank Steering Committee, which includes two current Board Directors. The pledge forms have been distributed and they are currently being returned and recorded. Dependent on the success of the pledge responses the Committee will then review and if found to be a positive response then an independent feasibility study will be performed to determine the business case for the purchase of a Franchise from Bendigo & Adelaide Bank Limited.

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was: \$54,663 [2010: \$35,446].

Matters Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the half year reporting period 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.

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 2.

Signed in accordance with a resolution of the directors at Inglewood, Victoria on 21 February 2012.



Ken Canfield, Treasurer

**Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001
to the directors of Inglewood & Districts Community Enterprises Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011 there have been:

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



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

Dated this 21st day of February 2012

Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Statement of Comprehensive Income
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Revenue from ordinary activities	359,627	334,668
Employee benefits expense	(165,636)	(166,008)
Charitable donations, sponsorship, advertising and promotion	(31,045)	(35,982)
Occupancy and associated costs	(7,309)	(6,774)
Systems costs	(12,241)	(17,020)
Depreciation and amortisation expense	(5,631)	(7,260)
General administration expenses	(56,247)	(51,281)
	<hr/>	<hr/>
Profit before income tax expense	81,518	50,343
Income tax expense	(26,855)	(14,897)
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Profit after income tax expense	54,663	35,446
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	54,663	35,446
	<hr/> <hr/>	<hr/> <hr/>
Earnings per Share	c	c
Basic from profit for the period:	10.81	7.01

The accompanying notes form part of these financial statements.

Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Balance Sheet
as at 31 December 2011

	31-Dec 2011 \$	30-Jun 2011 \$
ASSETS		
Current Assets		
Cash assets	332,617	283,892
Trade and other receivables	29,287	14,809
Total Current Assets	<u>361,904</u>	<u>298,701</u>
Non-Current Assets		
Property, plant and equipment	101,890	106,521
Intangible assets	113,000	114,000
Total Non-Current Assets	<u>214,890</u>	<u>220,521</u>
Total Assets	<u>576,794</u>	<u>519,222</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	9,827	3,448
Current tax liabilities	47,183	21,908
Provisions	-	30,325
Total Current Liabilities	<u>57,010</u>	<u>55,681</u>
Non-Current Liabilities		
Deferred tax liabilities	3,381	1,801
Total Non-Current Liabilities	<u>3,381</u>	<u>1,801</u>
Total Liabilities	<u>60,391</u>	<u>57,482</u>
Net Assets	<u>516,403</u>	<u>461,740</u>
Equity		
Issued capital	488,516	488,516
Retained earnings/(Accumulated losses)	27,887	(26,776)
Total Equity	<u>516,403</u>	<u>461,740</u>

The accompanying notes form part of these financial statements.

Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Statement of Changes in Equity
for the half-year ended 31 December 2011

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2010	488,516	(53,506)	435,010
Total comprehensive income for the year	<u>-</u>	<u>35,446</u>	<u>35,446</u>
	488,516	(18,060)	470,456
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2010	<u>488,516</u>	<u>(18,060)</u>	<u>470,456</u>
Balance at 1 July 2011	488,516	(26,776)	461,740
Total comprehensive income for the year	<u>-</u>	<u>54,663</u>	<u>54,663</u>
	488,516	27,887	516,403
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2011	<u>488,516</u>	<u>27,887</u>	<u>516,403</u>

The accompanying notes form part of these financial statements.

Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Cash Flow Statement
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	344,440	358,497
Payments to suppliers and employees	(266,099)	(288,234)
Interest received	709	3,496
Net cash provided by operating activities	<u>79,050</u>	<u>73,759</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	-	(18,654)
Net cash used in investing activities	<u>-</u>	<u>(18,654)</u>
Cash Flows From Financing Activities		
Dividends paid	(30,325)	(30,325)
Net cash used in financing activities	<u>(30,325)</u>	<u>(30,325)</u>
Net increase in cash held	48,725	24,780
Cash at the beginning of the financial year	283,892	227,542
Cash at the end of the half-year	<u><u>332,617</u></u>	<u><u>252,322</u></u>

The accompanying notes form part of these financial statements.

Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Notes to the financial statements
for the half-year ended 31 December 2011

Note 1. Summary of Significant Accounting Policies

Statement of Compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

Basis of Preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by the company during the period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

The half-year 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.

The company has elected not to early adopt the new and amended Accounting Standards and Interpretations, as outlined in the annual financial report for the year ended 30 June 2011, that have mandatory application dates during future reporting periods.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2011.

Note 2. Events Subsequent to Reporting Date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Note 3. Contingent Assets and Liabilities

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

Note 4. Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Inglewood and surrounding districts, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Notes to the financial statements
for the half-year ended 31 December 2011

Note 5. Dividends Paid/Provided

	2011 Cents	2011 \$	2010 Cents	2010 \$
Dividend paid in the period as recommended in the annual report:	6.00	30,325	6.00	30,325

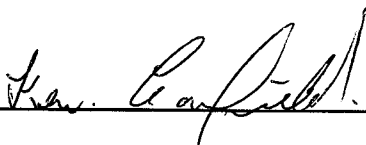
Inglewood & Districts Community Enterprises Limited
ABN 87 123 959 375
Directors' Declaration

In the opinion of the directors of Inglewood & Districts Community Enterprises Limited ("the company"):

- 1 The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2011 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- 2 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.



Ken Canfield, Treasurer

Dated this 21st day of February 2012.

Independent Auditor's Review Report to the Members of Inglewood & Districts Community Enterprises Limited

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Inglewood & Districts Community Enterprises Limited, which comprises the balance sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Inglewood & Districts Community Enterprises Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.


Independence

In conducting our review we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Inglewood & Districts Community Enterprises Limited is not in accordance with the Corporations Act 2001 including:

- a) Giving a true and fair view of the company's financial position at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



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

Dated this 21st day of February 2012