

Cobden & Districts Community

Finance Limited

Financial Statements

as at

31 December 2008

Cobden & Districts Community Finance Limited
ABN 84 117 781 049
Directors' Report

Your Directors submit the financial report of the company for the half-year ended 31 December 2008.

Directors

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

Trevor John Gardner

James Alfred Green

Trevor John Clarke

Stuart James Dawson

Gregory Leigh Suter

Donald Francis Howard

Rodney Peter Giblett

Milton John Parlour

Margaret Emily McDonald

Edwin Duncan Morris (Appointed 28 October 2008)

Robert Saunders Gunner (Appointed 28 October 2008)

Kellie Lee Kempton (Appointed 28 October 2008)

Michael David Hinkley (Resigned 28 October 2008)

Andrew Keith Suter (Resigned 28 October 2008)

Gayle Patricia Kelson (Resigned 28 October 2008)

Principal activities

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

Review and results of operations

The recent global financial crisis has adversely impacted the stability of the international financial system. The current global financial crisis presents a challenge for all financial institutions, including Bendigo and Adelaide Bank and in turn Cobden & Districts Community Finance Limited. The duration and extent of the global financial crisis is still largely unknown and continuation of these conditions could adversely affect the ongoing financial performance or financial condition of the Company's business as a franchisee of a Community Bank® branch. The net loss of the company for the financial period was: \$92,460 [2007: (\$63,250)].

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.

Auditor's 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 Cobden, Victoria on 16th March 2009.



Trevor Clarke, Director

Auditor's Independence Declaration

As lead auditor for the review of Cobden & Districts Community Finance Limited I declare that, to the best of my knowledge and belief, in relation to the review of the half year ended 31 December 2008 there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; 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 16th day of March 2009

Cobden & Districts Community Finance Limited
ABN 84 117 781 049
Income Statement
for the half-year ended 31 December 2008

	2008	2007
	\$	\$
Revenue from ordinary activities	165,858	80,909
Salaries and employee benefit expense	(142,963)	(104,112)
Occupancy and associated costs	(17,469)	(12,687)
Advertising and promotion expenses	(3,481)	(3,938)
Systems costs	(16,456)	(11,228)
Depreciation and amortisation expense	(5,606)	(4,618)
General administration expenses	(72,343)	(35,148)
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Loss before income tax credit	(92,460)	(90,822)
Income tax credit	-	27,572
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Loss for the period	(92,460)	(63,250)
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Loss attributable to members of the entity	(92,460)	(63,250)
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Earnings per Share	c	c
Earnings per share for the period:	(12.75)	(8.93)

The accompanying notes form part of these financial statements.

Cobden & Districts Community Finance Limited
ABN 84 117 781 049
Balance Sheet
as at 31 December 2008

	31-Dec 2008 \$	30-Jun 2008 \$
ASSETS		
Current Assets		
Cash assets	183	100
Trade and other receivables	23,493	27,265
Total Current Assets	<u>23,676</u>	<u>27,365</u>
Non-Current Assets		
Property, plant and equipment	173,838	176,843
Deferred tax asset	167,728	167,728
Intangible assets	5,000	6,000
Total Non-Current Assets	<u>346,566</u>	<u>350,571</u>
Total Assets	<u>370,242</u>	<u>377,936</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	12,095	48,951
Borrowings	120,087	7,057
Provisions	24,823	17,417
Total Current Liabilities	<u>157,005</u>	<u>73,425</u>
Non-Current Liabilities		
Provisions	1,186	-
Total Non-Current Liabilities	<u>1,186</u>	<u>-</u>
Total Liabilities	<u>158,191</u>	<u>73,425</u>
Net Assets	<u>212,051</u>	<u>304,511</u>
Equity		
Issued capital	698,455	698,455
Accumulated losses	(486,404)	(393,944)
Total Equity	<u>212,051</u>	<u>304,511</u>

The accompanying notes form part of these financial statements.

Cobden & Districts Community Finance Limited
ABN 84 117 781 049
Statement of Changes in Equity
for the half-year ended 31 December 2008

	2008	2007
	\$	\$
Total equity at the beginning of the period	304,511	427,389
Net loss for the period	(92,460)	(63,250)
Net income/expense recognised directly in equity	-	-
Dividends provided for or paid	-	-
Shares issued during period	-	-
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Total equity at the end of the period	212,051	364,139
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Cobden & Districts Community Finance Limited
ABN 84 117 781 049
Cash Flow Statement
for the half-year ended 31 December 2008

	2008	2007
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	169,032	71,640
Payments to suppliers and employees	(257,211)	(172,270)
Interest paid	(3)	-
Interest received	84	2,175
Net cash used in operating activities	<u>(88,098)</u>	<u>(98,455)</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(24,849)	-
Net cash used in investing activities	<u>(24,849)</u>	<u>-</u>
Net decrease in cash held	(112,947)	(98,455)
Cash at the beginning of the financial year	(6,957)	162,952
Cash at the end of the half-year	<u><u>(119,904)</u></u>	<u><u>64,497</u></u>

The accompanying notes form part of these financial statements.

Cobden & Districts Community Finance Limited
ABN 84 117 781 049
Notes to the financial statements
for the half-year ended 31 December 2008

1. Basis of preparation of the half-year financial statements

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*, Australian Accounting Standards AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

Basis of accounting

The half-year financial report 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 financial report for the year ended 30 June 2008 and any public pronouncements made by the company during the period.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2008. All accounting policies are consistent with those applied in the 30 June 2008 financial statements except as set out below.

Reporting basis and convention

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.

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.

3. Contingent assets and liabilities

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

4. Segment Reporting

Half year ended:	Cobden		Camperdown		Total Group	
	Dec-08	Dec-07	Dec-08	Dec-07	Dec-08	Dec-07
Primary Reporting — Geographic Segments						
REVENUE						
External Sales	105,164	77,355	60,694	-	182,519	77,355
Total sales revenue	105,164	77,355	60,694	-	182,519	77,355
Total revenue	105,164	77,355	60,694	-	182,519	77,355
RESULT						
Segment result	(35,178)	(90,821)	(57,282)	-	(125,999)	(90,821)
Finance Costs	-	-	-	-	-	-
Profit before income tax	(35,178)	(90,821)	(57,282)	-	(125,999)	(90,821)
Income tax expense	-	27,572	-	-	27,572	27,572
Profit after income tax	(35,178)	(63,249)	(57,282)	-	(98,427)	(63,249)

Cobden & Districts Community Finance Limited
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Notes to the financial statements
for the half-year ended 31 December 2008

4. Segment Reporting (continued)

Accounting Policies

Segment revenues and expenses are those that are directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most of these assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include income taxes.

Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the consolidated group at an arm's length. These transfers are eliminated on consolidation.

Geographical Segments

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in two geographic areas being Cobden and Camperdown along with surrounding districts within Victoria.

5. Contributed equity

	2008 \$	2007 \$
725,012 Ordinary shares of \$1 each (2007: 725,012)	725,012	725,012
Less: equity raising expenses	(26,557)	(26,557)
	<u>698,455</u>	<u>698,455</u>

6. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2008 annual financial report.


Cobden & Districts Community Finance Limited
ABN 84 117 781 049
Directors' Declaration

In the opinion of the directors of Cobden & Districts Community Finance 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 2008 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.

On behalf of the Directors



Trevor Clarke, Director

Dated this 16th day of March 2009.

INDEPENDENT AUDITOR'S REPORT

To the members of Cobden & Districts Community Finance Limited

We have reviewed the accompanying half year financial report of Cobden & Districts Community Finance Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half year then ended and other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the half year 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 control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2008 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 Cobden & Districts Community Finance 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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 audit 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 Cobden & Districts Community Finance Limited is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the consolidated entity's financial position at 31 December 2008 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Report* and the *Corporations Regulations 2001*



DAVID HUTCHINGS

ANDREW FREWIN & STEWART

61-65 Bull Street, Bendigo, 3550

Dated this 16th day of March 2008