

**Upper Yarra Community Enterprise Ltd**  
**(formerly Warburton Community Financial Services Ltd)**  
**ABN 54 090 252 627**  
**Directors' Report**

Your Directors submit their 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:

Mr G M Vickers Company Secretary	Mrs C L Aulich (Resigned 19 November 2008) Account Manager
Mr M Magee Truck Body Builder	Ms E R Fox Student Counsellor
Mr L B Marshall Retired Maintenance Manager	Mr R McKail Governance manager
Mr R J Woods Environmental Consultant	Mr B J Sharman Administrative Officer
Mrs J D Hall Retired Shop Proprietor	Mrs S L Hawkins (Appointed 27 October 2008) Retired Administration Officer
Mr S J Freestone (Appointed 19 November 2008) Teacher	

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

**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 and Adelaide Bank Limited.

**Review and results of operations**

Operations have continued to perform in line with expectations. During this period the company paid Donations and Community payments of \$84,591 (2007: \$54,919). The net profit/(loss) of the company for the financial period was \$(10,520) (2007: \$72,025).

**Significant changes in the state of affairs**

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

**Matters subsequent to the end of the reporting period**

The company opened a second branch in Yarra Junction on 25 February 2008. An issue of 730,250 shares, with a paid up value of \$1 per share, was made to raise capital for the new branch. These shares were issued on 13 February 2008. The total number of shares on issue is now 1,930,250. There are no other 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.

**Upper Yarra Community Enterprise Ltd  
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Directors' Report**

**Auditor Independence Declaration**

The directors received the following independence declaration from the auditor of the company:

**Richmond Sinnott & Delahunty**  
**Chartered Accountants**



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**Auditor's Independence Declaration**

In relation to our review of the financial report of Upper Yarra Community Enterprise Ltd for the half year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**Warren Sinnott  
Partner  
Richmond Sinnott & Delahunty  
Bendigo**

Signed in accordance with a resolution of the Directors at Warburton, Victoria on  
2 March 2009.

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Rodney McKail, Chairman

**Upper Yarra Community Enterprise Ltd**  
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**Condensed Income Statement**  
**for the half-year ended 31 December 2008**

	<b>Note</b>	<b>2008</b> <b>\$</b>	<b>2007</b> <b>\$</b>
Revenue from ordinary activities		585,510	460,280
Other revenue		11,821	9,671
Salaries and employee benefit expense		(318,258)	(193,245)
Depreciation and amortisation expense		(31,976)	(10,329)
Borrowing cost expense		(4,870)	(6,631)
Charitable donations & sponsorships		(84,591)	(54,919)
Other expenses from ordinary activities		<u>(163,663)</u>	<u>(100,997)</u>
<b>Profit / (loss) from ordinary activities before income tax expense</b>		(6,027)	103,830
Income tax expense relating to ordinary activities		<u>4,493</u>	<u>31,805</u>
<b>Net profit / (loss)</b>		<u><u>(10,520)</u></u>	<u><u>72,025</u></u>
<b>Earnings per share (cents per share)</b>			
- basic for profit / (loss) for the half year		(0.55)	11.35
- diluted for profit / (loss) for the half year		(0.55)	11.35
- dividends paid per share	<b>6</b>	2.00	12.00

**Upper Yarra Community Enterprise Ltd**  
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**ABN 54 090 252 627**  
**Condensed Balance Sheet**  
**as at 31 December 2008**

	<b>31-Dec 2008 \$</b>	<b>30-Jun 2008 \$</b>
<b>Current Assets</b>		
Cash assets	319,011	376,283
Current tax refundable	6,076	176
Prepayments	1,559	-
Investments	351,624	351,624
Receivables	108,873	100,562
<b>Total Current Assets</b>	<u>787,143</u>	<u>828,645</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	801,938	822,240
Intangibles	73,267	83,161
<b>Total Non-Current Assets</b>	<u>875,205</u>	<u>905,401</u>
<b>Total Assets</b>	<u>1,662,348</u>	<u>1,734,046</u>
<b>Current Liabilities</b>		
Payables	60,092	68,153
Interest bearing liabilities	59,448	59,448
Provisions	58,706	48,412
<b>Total Current Liabilities</b>	<u>178,246</u>	<u>176,013</u>
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	62,727	87,533
<b>Total Non-Current Liabilities</b>	<u>62,727</u>	<u>87,533</u>
<b>Total Liabilities</b>	<u>240,973</u>	<u>263,546</u>
<b>Net Assets</b>	<u>1,421,375</u>	<u>1,470,500</u>
<b>Equity</b>		
Issued capital	1,113,506	1,113,506
Retained earnings	307,869	356,994
<b>Total Equity</b>	<u>1,421,375</u>	<u>1,470,500</u>

**Upper Yarra Community Enterprise Ltd**  
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**Condensed Cash Flow Statement**  
**for the half-year ended 31 December 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations	635,750	499,963
Cash payments in the course of operations	(624,389)	(420,778)
Interest received	11,821	9,671
Borrowing costs	(4,870)	(6,631)
Income tax refunded/(paid)	<u>(10,393)</u>	<u>(9,239)</u>
<b>Net cash flows from (used in) operating activities</b>	<u>7,919</u>	<u>72,986</u>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	<u>(1,780)</u>	<u>(8,639)</u>
<b>Net cash flows from (used in) investing activities</b>	<u>(1,780)</u>	<u>(8,639)</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of borrowings	(24,806)	(24,200)
Dividends paid	<u>(38,605)</u>	<u>(48,000)</u>
<b>Net cash flows from (used in) financing activities</b>	<u>(63,411)</u>	<u>(72,200)</u>
<b>Net increase (decrease) in cash held</b>	(57,272)	(7,853)
Opening cash brought forward	<u>376,283</u>	<u>335,913</u>
<b>Closing cash carried forward</b>	<u><u>319,011</u></u>	<u><u>328,060</u></u>

**Upper Yarra Community Enterprise Ltd**  
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**Condensed Statement of Changes in Equity**  
**for the half-year ended 31 December 2008**

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2008</b>	1,113,506	356,994	1,470,500
Net profit / (loss) for the period	-	(10,520)	(10,520)
Issue of share capital	-	-	-
Equity dividends	-	(38,605)	(38,605)
<b>As at 31 December 2008</b>	<u>1,113,506</u>	<u>307,869</u>	<u>1,421,375</u>

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2007</b>	400,000	358,422	758,422
Net profit for the period	-	72,025	72,025
Issue of share capital	-	-	-
Equity dividends	-	(48,000)	(48,000)
<b>As at 31 December 2007</b>	<u>400,000</u>	<u>382,447</u>	<u>782,447</u>

**Upper Yarra Community Enterprise Ltd**  
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**Notes to the Financial Statements**  
**for the half-year ended 31 December 2008**

**1. Basis of preparation of the Half-Year Financial Report**

**(a) Basis of accounting**

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Upper Yarra Community Enterprise Ltd as at 30 June 2008. It is also recommended that this half year financial report be considered together with any public announcements made by Upper Yarra Community Enterprise Ltd during the half year ended 31 December 2008 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

**(b) Statement of compliance**

The half year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

**(c) Summary of significant accounting policies**

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2008 financial statements.

**2. 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.

**3. 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.

**4. Contingent Assets and Liabilities**

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

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**Notes to the Financial Statements**  
**for the half-year ended 31 December 2008**

## 5. Segment Reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Upper Yarra Valley, Victoria.

<b>6. Dividends Paid</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2008 of 2 cents (2007: 12 cents franked)	38,605	48,000

## 7. Director and Related Party Disclosures

The names of directors who have held office during the half year ended 31 December 2008 are:

Mr G M Vickers  
Mrs C L Aulich (Resigned 19 November 2008)  
Mr M Magee  
Ms E R Fox  
Mr L B Marshall  
Mr R McKail  
Mr R J Woods  
Mr B J Sharman  
Mrs J D Hall  
Mrs S L Hawkins (Appointed 27 October 2008)  
Mr S J Freestone (Appointed 19 November 2008)

The company hired Mr G Vickers, to perform services in relation to secretarial and treasurer operations for the Board. The amount paid to Mr G Vickers was \$34,200 for the half year ended 31 December 2008 (2007: \$30,525).

No other 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.

<b>Directors shareholdings</b>	<b>31 Dec. <u>2008</u></b>	<b>30 June <u>2008</u></b>
Mr G M Vickers	2,000	2,000
Mrs C L Aulich (Resigned 19 November 2008)	1,250	1,000
Mr M Magee	12,000	12,000
Ms E R Fox	-	-
Mr L B Marshall	-	-
Mr R McKail	1,000	1,000
Mr R J Woods	1,000	1,000
Mr B J Sharman	3,000	3,000
Mrs J D Hall	30,000	30,000
Mrs S L Hawkins (Appointed 27 October 2008)	1,000	1,000
Mr S J Freestone (Appointed 19 November 2008)	-	-

During the period Mrs C Aulich acquired 250 shares. There was no other movement in other directors shareholdings during the period.

**Upper Yarra Community Enterprise Ltd  
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Directors Declaration  
for the half-year ended 31 December 2008**

In accordance with a resolution of the directors of Upper Yarra Community Enterprise Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company:
  - (i) give a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and
  - (ii) comply with Accounting Standard AASB 134, "Interim Financial Reporting" and the Corporations Regulations 2001; 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.

On behalf of the Board

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Rodney McKail, Chairman

Signed in Warburton on this 2nd day of March 2009.