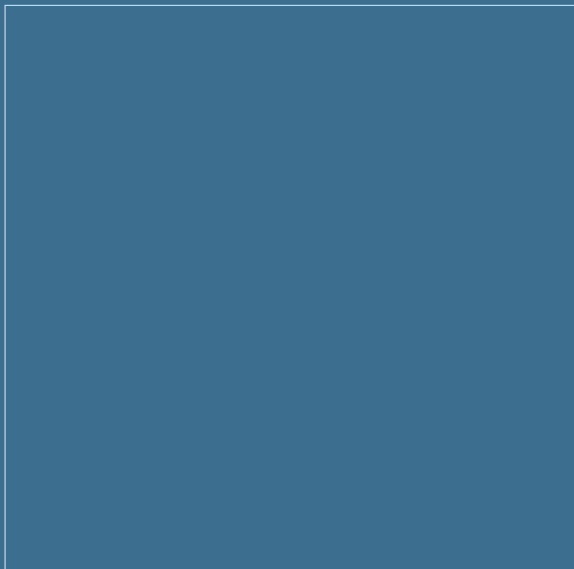


annual report | 2009



Inglewood & Districts
Community Enterprises Limited
ABN 87 123 959 375

Inglewood & Districts **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2009

The second year of operation has seen Inglewood and Districts **Community Bank**[®] Branch continue to grow. Total business now exceeds \$50 million, placing us in excess of \$2 million ahead of the base forecast in our prospectus.

We have invested in the order of \$25,000 in advertising and sponsorships, representing a significant and ongoing contribution to the communities we serve. In addition, we have placed a further \$30,000 with the Community Enterprise[™] Foundation. The Foundation provides us with an equitable and tax effective vehicle for our community grants.

The Board declared a dividend to shareholders at our September 2008 meeting and we have decided not to declare a further dividend at present. We are confident, however, that our ability to support our Community by way of sponsorships and grants honours our core commitment and meets with the approval of shareholders.

Our staff continue to provide a high level of service and we have had the pleasure of welcoming Clinton Lea to the team. We value our staff for their commitment to both the **Community Bank**[®] branch and the wider community.

Another significant change has been the move of our Wedderburn agency to Randalls' supermarket – an association which the Board is both confident and determined to make mutually successful.

Some Board members will be retiring and not seeking re election. I thank them for all for their hard work and look forward with enthusiasm to welcoming new members with new ideas.

The fall in the interest rate margin – a symptom of the current economic climate – has made our job more challenging. We have, however, continued to prosper. We continue to aim to build on our success.



Max Higgs

Chairman

Manager's report

For year ending 30 June 2009

The past 12 months has not been without its challenges given the economic downturn, turbulent stock exchange and another drought year, but despite this our **Community Bank**[®] branch continues to move from strength to strength. 30 June 2009 saw an amazing book figure of \$51.876 million, a \$6.2 million growth over the 2008 - 2009 financial year.

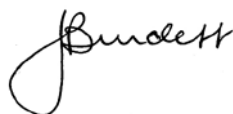
Both Andrew Nevins, Business Development Manager and I continue to build the business through our relationships with existing customers and by developing new business.

Wedderburn Agency moved to Randalls Supermarket in August 2009, a new venture for Leigh and his team. They have approached it with enthusiasm and commitment and are looking at new ways to improve and build the agency business.

The above growth resulted in us generating good profits each month and has enabled us to once again contribute to many groups over the whole of our district by way of donations and sponsorships. To date during 2008 - 2009 financial year, we have handed out \$15,803.75 with a further \$30,000 to be issued at the AGM in October as grants through the Community Enterprise[™] Foundation. In total since becoming a **Community Bank**[®] branch in July 2007 we have distributed \$85,860.75 and after the AGM this total will be \$115,860.75.

We have recently employed another Part-Time Customer Service Officer (CSO), and welcome Clinton Lea to the team. This now gives our branch 4 Part-time CSOs, 1 Senior CSO, 1 Business Development Manager and myself as Customer Service Manager, which is great for employment within our districts.

I would like to thank each staff and Board member for their contribution, hard work and dedication to our business over the past 12 months.



Jill Burdett
Branch Manager

Directors' report

For year ending 30 June 2009

Your Directors submit the financial report of the Company for the financial year ended 30 June 2009.

Directors

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

Maxwell Charles Higgs

Chairman

Age: 51

General Medical Practitioner

Graduated MBBS University of Melbourne in 1981. Has worked as a General Practitioner in the area for the past 24 years. Max served for 3 years as Councillor for the Inglewood Riding Shire of Loddon, past member of Inglewood & District Health Services Board of Management.

Chairman, audit

Interest in shares: 3,001

Colleen Mary Condliffe

Director

Age: 59

Primary Producer

Colleen has been a Loddon Shire Councillor for the past 9 years. Also involved with Rural Finance Counseling Service and Salisbury West Landcare.

Interests in shares: 501

Dale Thomas Jackson

Director

Age: 39

Technical Design Officer

Technical Design Officer at the Shire of Loddon Infrastructure Department.

Marketing

Interests in shares: 1,001

Allan Maurice Bunnett

Treasurer

Age: 56

Primary Producer

Long standing record of community involvement in sporting clubs, Lions Club, Rural Fire Brigade, Cemetery Trust and Grains Group of the Victorian Farmers Federation.

Treasurer, audit

Interests in shares: 2,501

Kenneth John Canfield

Director

Age: 62

Primary Producer

Held executive positions with the Inglewood Golf and Bowls Clubs and as a member Salisbury/Powlett Fire Brigade.

Interests in shares: 1,001

Jennifer Anne Hosking

Director

Age: 50

Primary Producer

Diploma of Rural Business Management at University of Melbourne. Jenny has a long history of Community involvement.

Marketing

Interests in shares: 1,501

Directors' report continued

Kevin James Poyser

Director

Age: 73

Retired

Has worked for 30 years at the Bridgewater Flour Mill prior to running his own mixed business for another 11 years.

Interests in shares: 2,501

Terence William Mangles

Director

Age: 68

Retired

30 years of service in the Victoria Police Force.

Director of a Football Management and Bendigo Investigation Services Pty Ltd. Members of the Inglewood Lions Club.

Marketing

Interests in shares: 1,001

Beverley Dawn Taig

Director

Age: 63

Home Duties/Farmer

Owns a mixed farming enterprises which includes the production of eucalyptus. Bev has a long history of involvement in Community groups.

Interest in shares: 1,001

Andrew Richard Smith

Director

Age: 44

Business Proprietor

Andrew is a self employed small business operator.

Serves on the Board of St Mary's Primary School and is a member of the Inglewood Country Fire Authority.

Interests in shares: 1,001

George Arthur Wyatt

Director

Age: 64

Retired

Extensive clerical work for the Strategem Financial Group and has worked as Trading Manager for the Bendigo Stock Exchange for 4 years. George has also been involved with local sporting clubs.

Interests in shares: 4,501

Simon Patrick Tuohey

Director

Age: 38

Primary Producer

Heavily involved in various sporting and community groups in the Serpentine District.

Interests in shares: 1,501

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 is Heather Louise Chamberlain, a non-Director. She was appointed to the position of Company Secretary on 3 January 2007. She is a business owner and Company Director, experienced in Bookkeeping and Community Secretarial Services.

Directors' report continued

Principal activities

The principal activities of the Company during the course of the financial year were in facilitating **Community Bank**[®] services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Ltd.

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

Operating results

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 Ltd and in turn Inglewood & Districts Community Enterprises 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 profit of the Company for the financial year after provision for income tax was:

Year ended 30 June 2009	Year ended 30 June 2008
\$	\$
20,709	22,088

Remuneration report

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

There are no employees who are directly accountable and have responsibility for the strategic direction and operational management of the entity.

There are therefore no specified Executives whose remuneration requires disclosure.

Dividends

	Year ended 30 June 2009	
	Cents	\$
Dividend paid in the year:	4	20,216

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.

Directors' report continued

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.

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' report continued

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
Maxwell Charles Higgs	12	11
Allan Maurice Bunnett	12	8
Colleen Mary Condliffe	12	9
Kenneth John Canfield	12	11
Dale Thomas Jackson	12	10
Jennifer Anne Hosking	12	9
Kevin James Poyser	12	12
Terence William Mangles	12	8
Beverley Dawn Taig	12	9
Andrew Richard Smith	12	9
George Arthur Wyatt	12	11
Simon Patrick Tuohy	12	11

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.

Directors' report continued

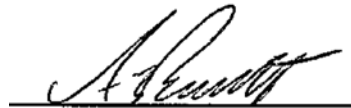
Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Signed in accordance with a resolution of the Board of Directors at Inglewood, Victoria on 21 August 2009.



Maxwell Charles Higgs
Chairman



Alan Maurice Bunnett
Treasurer

Auditor's independence declaration



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ABN 51 061 795 337

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, in relation to the audit for the financial year ended 30 June 2009 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 1 day of September 2009

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	3	524,271	466,675
Salaries and employee benefits expense		(292,273)	(220,641)
Charitable donations, sponsorship, advertising & promotion		(63,154)	(75,727)
Occupancy and associated costs		(16,143)	(11,844)
Systems costs		(23,482)	(34,758)
Depreciation and amortisation expense	4	(14,120)	(20,328)
General administration expenses		(85,847)	(72,413)
Profit before income tax expense		29,252	30,964
Income tax expense	5	(8,543)	(8,876)
Profit for the period		20,709	22,088
Profit attributable to members of the entity		20,709	22,088
Earnings per share (cents per share)		¢	¢
- basic for profit for the year	17	4.1	4.39
- dividends paid per share	18	4	-

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash assets	6	166,161	145,057
Trade and other receivables	7	20,009	23,625
Total current assets		186,170	168,682
Non-current assets			
Property, plant and equipment	8	111,126	114,169
Intangible assets	9	118,000	120,000
Deferred tax assets	10	19,784	28,327
Total non-current assets		248,910	262,496
Total assets		435,080	431,178
Liabilities			
Current liabilities			
Trade and other payables	11	7,409	4,000
Total current liabilities		7,409	4,000
Total liabilities		7,409	4,000
Net assets		427,671	427,178
Equity			
Issued capital	12	488,516	488,516
Accumulated losses	13	(60,845)	(61,338)
Total equity		427,671	427,178

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		521,235	480,190
Payments to suppliers and employees		(477,083)	(426,174)
Interest received		6,245	7,842
Net cash provided by operating activities	14	50,397	61,858
Cash flows from investing activities			
Payments for property, plant and equipment		(9,077)	(2,395)
Refund on fit out commitment		-	17,779
Net cash provided by/(used in) investing activities		(9,077)	15,384
Cash flows from financing activities			
Proceeds from issues of equity securities		-	20,012
Dividends paid		(20,216)	-
Payment for share issue costs		-	(10,557)
Net cash provided by/(used in) financing activities		(20,216)	9,455
Net increase in cash held		21,104	86,697
Cash at the beginning of the financial year		145,057	58,360
Cash at the end of the financial year	6(a)	166,161	145,057

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Note	2009 \$	2008 \$
Total equity at the beginning of the period		427,178	385,078
Net profit for the period		20,709	22,088
Net income/expense recognised directly in equity		-	-
Total income and expense recognised by the entity for the year		20,709	22,088
Dividends provided for or paid		(20,216)	-
Shares issued during period		-	20,012
Costs of issuing shares		-	-
Total equity at the end of the period		427,671	427,178

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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).

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Estimated impairment of goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(above). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Payment terms

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

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.

Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Classification and subsequent measurement

(i) 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 subsequently measured at amortised cost using the effective interest rate method.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Financial instruments (continued)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

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 is transferred to entities in the 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 period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. 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.

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 and Adelaide Bank Ltd.

(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 and Adelaide Bank Ltd mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Ltd 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 and Adelaide Bank Ltd mitigates this risk significantly.

(vi) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Balance Sheet.

Notes to the financial statements continued

Note 2. Financial risk management (continued)

(vi) Capital management (continued)

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

- (i) the Distribution Limit is the greater of:
 - (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
 - (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and
- (ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2009 can be seen in the Income Statement.

There were no changes in the Company's approach to capital management during the year.

	2009	2008
	\$	\$

Note 3. Revenue from ordinary activities

Operating activities:

- services commissions	517,512	458,085
- other revenue	998	-
Total revenue from operating activities	518,510	458,085

Non-operating activities:

- interest received	5,761	8,590
Total revenue from non-operating activities	5,761	8,590
Total revenues from ordinary activities	524,271	466,675

Notes to the financial statements continued

	Note	2009 \$	2008 \$
Note 4. Expenses			
Depreciation of non-current assets:			
- plant and equipment		2,787	8,995
- leasehold improvements		9,333	9,333
Amortisation of non-current assets:			
- franchise agreement		2,000	2,000
		14,120	20,328
Bad debts		897	162

Note 5. Income tax expense

The components of tax expense comprise:

- Current tax		-	-
- Deferred tax on accrued income		(145)	224
- Recoupment of prior year tax losses		8,688	8,651
- Future income tax benefit attributable to losses		-	-
		8,543	8,875

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

Operating profit		29,252	30,964
Prima facie tax on profit from ordinary activities at 30%		8,776	9,289
Add tax effect of:			
- non-deductible expenses		782	600
- timing difference expenses		145	(224)
- blackhole expenses		(1,014)	(1,014)
Current tax		8,688	8,651
Movement in deferred tax	10.	(145)	224
		8,543	8,875

Notes to the financial statements continued

	2009 \$	2008 \$
Note 6. Cash assets		
Cash at bank and on hand	33,144	18,274
Investment accounts	133,017	126,783
	166,161	145,057

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	33,144	18,274
Term deposit	133,017	126,783
	166,161	145,057

Note 7. Trade and other receivables

Trade receivables	14,065	23,625
Prepayments	5,944	-
	20,009	23,625

Note 8. Property, plant and equipment

Plant and equipment

At cost	26,099	17,022
Less accumulated depreciation	(11,782)	(8,995)
	14,317	8,027

Leasehold improvements

At cost	115,475	115,475
Less accumulated depreciation	(18,666)	(9,333)
	96,809	106,142

Total written down amount	111,126	114,169
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Notes to the financial statements continued

	2009 \$	2008 \$
Note 8. Property, plant and equipment (continued)		
Movements in carrying amounts:		
Plant and equipment		
Carrying amount at beginning	8,027	2,426
Reclassification	-	12,201
Additions	9,077	2,395
Disposals	-	-
Less: depreciation expense	(2,787)	(8,995)
Carrying amount at end	14,317	8,027
Leasehold improvements		
Carrying amount at beginning	106,142	145,456
Reclassification	-	(29,981)
Additions	-	-
Disposals	-	-
Less: depreciation expense	(9,333)	(9,333)
Carrying amount at end	96,809	106,142
Total written down amount	111,126	114,169

Note 9. Intangible assets

Franchise fee

At cost	10,000	10,000
Less: accumulated amortisation	(4,000)	(2,000)

Goodwill on purchase of Agency Business

At cost	112,000	112,000
	118,000	120,000

Notes to the financial statements continued

	2009 \$	2008 \$
Note 10. Deferred tax		
Deferred tax asset		
- Opening balance	28,327	37,202
Future income tax benefits attributable to losses	-	-
Recoupment of prior year tax losses	(8,688)	(8,651)
Deferred tax on accrued income	145	(224)
Under/over provision in relation to prior years		-
- Closing balance	19,784	28,327

Note 11. Trade and other payables

Trade creditors	4,109	1,000
Other creditors & accruals	3,300	3,000
	7,409	4,000

Note 12. Contributed equity

505,412 Ordinary shares fully paid of \$1 each (2007: 485,400)	505,412	505,412
Less: equity raising expenses	(16,896)	(16,896)
	488,516	488,516

Rights attached to shares

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of Shares held, is to reflect the nature of the Company as a community based Company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank®** branch have the same ability to influence the operation of the Company.

Notes to the financial statements continued

Note 12. Contributed equity (continued)

Rights attached to shares (continued)

(b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The Franchise Agreement with Bendigo and Adelaide Bank Ltd contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

(c) Transfer

Generally, ordinary shares are freely transferable. However, the Directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the Company's constitution and the Corporations Act.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the Company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the Company (the "10% limit").
- In the opinion of the Board they do not have a close connection to the community or communities in which the Company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the Company to that person the number of shareholders in the Company is (or would be) lower than the base number (the "base number test").
The base number is 298. As at the date of this report, the Company had 340 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the Company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The Board has the power to request information from a person who has (or is suspected by the Board of having) a legal or beneficial interest in any shares in the Company or any voting power in the Company, for the purpose of determining whether a person has a prohibited shareholding interest. If the Board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of Shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified Shares on behalf of that person. The holder will be entitled to the consideration from the sale of the Shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

Notes to the financial statements continued

Note 12. Contributed equity (continued)

Prohibited shareholding interest (continued)

The Bendigo Stock Exchange (BSX) has advised that in its view the prohibited shareholding provisions are appropriate and equitable but the 'base number test' is not as a result the base number clause does not operate whilst the Company remains listed on the BSX.

In the Constitution, members acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

	2009 \$	2008 \$
Note 13. Accumulated losses		
Balance at the beginning of the financial year	(61,338)	(83,426)
Net profit from ordinary activities after income tax	20,709	22,088
Dividends paid	(20,216)	-
Balance at the end of the financial year	(60,845)	(61,338)

Note 14. Statement of cash flows

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

Profit from ordinary activities after income tax	20,709	22,088
Non cash items:		
- depreciation	12,120	18,328
- amortisation	2,000	2,000
Changes in assets and liabilities:		
- decrease in receivables	3,616	15,852
- decrease in other assets	8,543	8,876
- increase/(decrease) in payables	3,409	(5,286)
Net cash flows provided by operating activities	50,397	61,858

Notes to the financial statements continued

	2009	2008
	\$	\$
Note 15. Auditors' remuneration		
Amounts received or due and receivable by the Auditor of the Company for:		
- audit & review services	4,500	4,000
- non audit services	5,896	1,703
	10,396	5,703

Note 16. Director and related party disclosures

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

Maxwell Charles Higgs

Allan Maurice Bunnett

Colleen Mary Condliffe

Kenneth John Canfield

Dale Thomas Jackson

Jennifer Anne Hosking

Kevin James Poyser

Terence William Mangles

Beverley Dawn Taig

Andrew Richard Smith

George Arthur Wyatt

Simon Patrick Tuohy

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.

Notes to the financial statements continued

Note 16. Director and related party disclosures (continued)

Directors shareholdings	2009	2008
Maxwell Charles Higgs	3,001	3,001
Allan Maurice Bunnett	2,501	2,501
Colleen Mary Condliffe	501	501
Kenneth John Canfield	1,001	1,001
Dale Thomas Jackson	1,001	1,001
Jennifer Anne Hosking	1,501	1,501
Kevin James Poyser	2,501	2,501
Terence William Mangles	1,001	1,001
Beverley Dawn Taig	1,001	1,001
Andrew Richard Smith	1,001	1,001
George Arthur Wyatt	4,501	2,501
Simon Patrick Tuohy	1,501	1,501

Each share held is valued at \$1.

	2009	2008
	\$	\$

Note 17. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company

used in calculating earnings per share

20,709	22,088
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	2009	2008
	Number	Number

(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share

505,412	502,968
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Notes to the financial statements continued

	2009 \$	2008 \$
Note 18. Dividends paid or provided		
a. Dividends paid during the year		
Prior year final		
Unfranked dividend - 4 cents (2008: Nil cents) per share	20,216	-

Note 19. 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 20. Contingent liabilities

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

Note 21. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank**[®] services pursuant to a franchise agreement with Bendigo and Adelaide Bank Ltd. The economic entity operates in one geographic area being Inglewood and surrounding districts of Victoria.

Note 22. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
64 Brooke Street, Inglewood VIC 3517	64 Brooke Street, Inglewood VIC 3517

Note 23. 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.

Notes to the financial statements continued

Note 23. Financial instruments (continued)

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					
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash assets	33,044	17,274	-	-	-	-	-	-	100	100	0.05	0.40
Investments	133,017	126,783	-	-	-	-	-	-	-	-	4	5.75
Receivables	-	-	-	-	-	-	-	-	20,009	23,626	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	7,409	4,000	N/A	N/A

Director's declaration

In accordance with a resolution of the Directors of Inglewood & Districts Community Enterprises Limited, we state that:

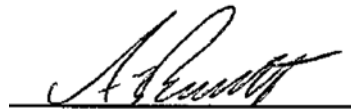
In the opinion of the Directors:

- (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 2009 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.



Maxwell Charles Higgs
Chairman



Alan Maurice Bunnett
Treasurer

Signed on 21 August 2009

Independent audit report



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61-65 Bull Street
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www.afsbendigo.com.au
ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Inglewood & Districts Community Enterprises Limited

We have audited the accompanying financial statements of Inglewood & Districts Community Enterprises Limited, which comprise 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, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company 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 in accordance with the Accounting Standard AASB 101 Presentation of Financial Statements that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 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 directors' 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 on the Financial Report

In our opinion:

- 1) The financial report of Inglewood & Districts Community Enterprises Limited is in accordance with the Corporations Act 2001 including
 - (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its financial performance and its cash flows for the year then ended and;
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and;
- 2) The financial statements and notes also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Inglewood & Districts Community Enterprises Limited for the year ended 30 June 2009, complies with section 300A if the Corporations Act 2001.



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

Dated this day 1st of September 2009

BSX report

Share Information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 7 September 2009, which is within 6 weeks of this report being sent to shareholders. The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

Number of shares held	Number of shareholders
1 to 1,000	242
1,001 to 5000	96
5,001 to 10,000	2
10,001 to 100,000	0
100,001 and over	0
Total shareholders	340

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the Company.

There are 8 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

The following table shows the 10 largest shareholders.

There are a number of shareholders that hold 5,000 shares. We have randomly picked eight in no particular order.

Shareholder	Number of shares	Percentage of capital
FP Nevins & Co.Pty Ltd	10,000	1.98
Mrs Heather Denyse Appleby	10,000	1.98
Mr Garry Ian Appleby	5,000	0.99
Mr Neil Alexander Appleby	5,000	0.99
Mr Kenneth Gordon Appleby	5,000	0.99
Mr Arnold Evert Look	5,000	0.99
Mr Stanilaus Kenneth Mahoney	5,000	0.99
Amy Roberts	5,000	0.99
Mr Warren Charles Roberts	5,000	0.99
Nicholas John Saunders & Lola Joyce Saunders	5,000	0.99
Total	60,000	12

BSX report continued

Registered office and principal administrative office

The registered office of the Company is located at:

64 Brooke Street,
Inglewood VIC 3517
Phone (03) 5438 3500

The principal administrative office of the Company is located at:

64 Brooke Street,
Inglewood VIC 3517
Phone (03) 5438 3500

Security register

The security register (share register) is kept at:

AFS
61-65 Bull Street,
Bendigo VIC 3550
Phone + 61 (03) 5443 0344

Company Secretary

Heather Chamberlain has been the Company Secretary of Inglewood & Districts Community Financial Services for 2 years. Heather Chamberlain's qualifications and experience include Business Owner & Operator, Book-Keeper, Secretary and President of various community groups.

Corporate Governance

The Company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are Chairman Dr Max Higgs, Kevin Poyser, and Allan Bunnett
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
Treasurer: Allan Bunnett
- (c) Ongoing Director training; and Conferences
- (d) Monthly Director meetings to discuss performance and strategic plans.

Annexure 3A

There are no material differences between the information in the Company's Annexure 3A and the information in the financial documents in its annual report.

Inglewood & Districts **Community Bank**[®] Branch
64 Brooke Street, Inglewood VIC 3517
Phone: (03) 5438 3500 Fax: (03) 5438 3500

Franchisee: Inglewood & Districts Community Enterprises Limited
64 Brooke Street, Inglewood VIC 3517
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ABN: 87 123 959 375

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Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9019) (07/09)