ANNUAL REPORT

of

Yackandandah Community Development Company Limited
ABN 45 099 899 886

For the 15 months ended 30 June 2007

Directors' Report

The Directors are proud to present the Annual Report of Yackandandah Community Development Company Limited (YCDCo. Ltd. or the Company) to shareholders, together with the financial report for the 15 month period ended 30 June 2007 and the auditor's report thereon.

Principal Activities

The principal activities of the Company during the course of the period were that of sales of petroleum, rural supplies, hardware, produce and associated products. We sell a range of non-fuel products which are normally associated with a service station.

Operating and Financial Review

The Directors consider that the company's performance over the past 15 months has been successful, despite the clearly weaker bottom line profit result we have reported (see 'Underlying Performance - Fundamentals' section below). The key **achievements** of the company over those 15 months include:

- completion of the shop/shed extensions to house the 'Yfarm' rural supplies and hardware side of the business;
- funding these capital investments/improvements from the businesses self-generated cash-flows (rather than debt);
- installation of a new retail point-of sale (POS) system (including all associated training) that integrates the fuel sales and rural supplies/hardware side of the business. Previously, these two sides of the business were handled on separate systems creating difficulties (and risks) in terms of accounting, ordering stock control and general site management;
- continuation of our investment in a range of community projects for a range of community organisations through the **community commitment sponsorships** program totalling $22,560 (see Note 16 for details);
- increasing non-fuel/rural supplies and hardware sales from $5,800 per week last year to $9,700 per week;
- maintaining shareholder value (share price has increased from $110.31 to $112.13);
- ongoing provision of jobs for adults and young people in Yackandandah;
- maintenance of our fuel sales volumes at a stable level of about 35,000 litres per week (despite the onset of more aggressive price-based competition by imported fuel suppliers in Albury-Wodonga) whilst maintaining competitive prices and continuing to procure supply from Australian-manufactured sources (Shell); and,
- consolidation of the rural supplies/hardware business.

The positive outcomes position the business soundly for the future. Despite this, the company has reported a weaker profit result. This was mainly due to:

- Higher employment expenses: These were considerably higher than in the previous year (increased from $140,000 to $168,000 annualised). Some increased wages costs were due to National Wage increase. However, they were mainly associated with the staff time necessary for the installation of the new Point of Sales retail system (POS) - these were higher than we expected. However, the directors consider that, given the scale of operation that the company has become (c.$55,000 turnover per week), this needed to be done. It was imperative that accounting and stock control systems be improved and that required some investment. The new system software itself is leased (approved by shareholders at the 2006 AGM). The installation of the system required substantial time on the part of staff and the company secretary to install and get up and running, including training. The system is now operating to expectation and providing management and the Board with vastly improved/more reliable and timely management information, as well as providing higher levels of business security; and
- Cessation of the Federal Government wholesale fuel subsidy scheme (1 cent per litre - this equates to $18,000 per annum for YCDCo. Ltd.);

Overall, Yfuel/Yfarm is continuing to trade strongly and in line with the expectations of directors. The directors are confident that the investments we have made in our infrastructure and business systems over the past 2 years will position the company well for the future.

Directors' Report (continued)

Financial Result

The YCDCo. Board is pleased to report an operating profit of $7,691 for the 15 month period ended 30 June 2007 (after income tax expense of $8,363). This compares to the operating profit of $18,313 reported for the year ended 31 March 2006 (after income tax of $11,261). These figures do not include our community commitment sponsorships which totalled $22,560 for the year ($17,241 in 2005/06).

Financial Reports

Detailed audited financial statements for the 15 month period 1 April 2006 to 30 June 2007 are included in this Annual Report.

The analysis below provides key features of our financial performance for the year and compares these to last year.

Underlying Performance - Fundamentals

In order to gain a meaningful insight to the company's financial performance from year to year, it is necessary to make some adjustments to the 'face value' financial results reported in the Annual Report. The table below therefore provides an analysis of the underlying business fundamentals, after adjusting for some one-off items and other amounts, to provide a better comparative basis of the company's underlying trading performance.

The analysis in the table below shows financial results for the last two years with the following adjustments:

- Community commitment sponsorships (treated as expenses in the Income Statement) are added back to before tax profit.
- The '% Change' shown uses an annualised 2006-07 result – that is, the 2006-07 is reduced by 20% to account for comparing a 15 month period with a 12 month period.

	ADJUSTED RESULT 2005-06	ADJUSTED RESULT 2006-07	% CHANGE
Turnover [Gross Revenue ($)]	$2,304,749	$2,832,403	22.9% Incr.
Adjusted Profit Calculation:			
Reported Profit (after tax, before dividend)	$18,313	$6,153	66.4% Decr.
Add: Community Commitment	$17,241	$18,048	4.7% Incr.
TOTAL - UNDERLYING RESULT:	**$35,554**	**$24,201**	**31.9% Decr.**

Capital Investment Program

Capital expenditure undertaken in the 2006/2007 financial period is as follows:

- Completion of extension to retail shop area $33,764
- Concrete around rural supplies shed $9,391
- Staff amenities (kitchenette, heater, etc) $2,504
- Upgrade of digital security system $1,137
- Other $1,169

TOTAL CAPITAL EXPENDITURE: $47,965

No significant capital expenditure is planned over the next 12 months.

How Capital Projects are Treated in our Accounts

Capital expenditure is that expenditure which creates an asset for the company. In other words, it will deliver benefits to the company, not only in the current year, but over future years as well. In our company accounts (in line with international accounting standards), such assets are included in our balance sheet (ie; they are not shown as an expense in the income statement).

However, depreciation is shown in the income statement as the expense which relates to those assets we own. Depreciation expense reflects the portion of the value of all the assets we own (including those we already had as well the new ones) which is reasonably attributable to the current period's operations.

Directors' Report (continued)

Occupational Health and Safety and Site Management Issues
Occupational Health and Safety is obviously a very important aspect of running a service station. Therefore, during the year we underwent a VACC OHS audit. The result of the audit, which was considered by the site management committee, identified some relatively minor OHS issues that we need to address. But overall, the audit reflected positively on our site management and operating procedures. Items needing to be addressed are being followed up.

Accuracy of Bowsers
Our bowsers are calibrated at least every two years by Gilbarco (who are accredited by Weights and Measures Australia). The accuracy of our bowsers can also be tested in 'snap' inspections by Consumer Affairs Victoria, as happened once during the year. The result of these inspections was that all dispensers were found to be accurate.

Dividends
No dividend was declared during the reporting period. It is anticipated that the Board will declare a dividend late in October, 2007. The community 'dividend' (community commitment payments) was over $22,500 for the year.

As a matter of policy in relation to future profits, it remains the Board's intention to distribute the majority of future YCDCo. Ltd. profits to shareholders as dividends and via the community commitment clause, where those profits are backed by a cash surplus.

Share Value
As an unlisted public company, shares in YCDCo. Ltd. are not publicly traded on a stock exchange. This means the value of the shares is not subject to the inevitable market-driven fluctuations which this would lead to.

The value (or **"Transfer Price")** of shares in YCDCo. Ltd. is defined in section 29.3 of the Constitution as **"… the net asset backing attributed to the share calculated by reference to the last audited statement of the company."**

In accordance with clause 29.3 of the Constitution, the "Share Transfer Price" calculation is provided below:

Net Equity (see Balance Sheet as at 30 June 2007)	$474,407
Number of shares on issue (as at 30 June 2007)	4,231
Share Transfer Price (net asset backing per share)	**$112.13**

The Share Transfer Price as reported in last year's Annual Report was $110.31.

State of Affairs
In the opinion of the directors, there were no significant changes in the state of affairs that occurred during the financial period under review, except for expansion of the product range to include rural supplies, hardware and associated products, and that the Company changed its reporting period from April through March to July through June, resulting in a one off 15 month period over 2006-2007.

Events subsequent to Balance Date
There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments
Other than those arising from an ongoing review of expansion opportunities there are no significant likely developments not otherwise disclosed in this report.

Directors' Report (continued)

Derivatives and other financial instruments

The company is exposed to credit, liquidity and cash flow risks from its operations. The company has a strict credit policy for all customers trading on credit terms, and only deals with reputable financial institutions.

Financing facilities and operating cash flows are managed to ensure the company is not exposed to any adverse liquidity risks.

Directors

The directors of the Company at any time during or since the end of the financial period are:

Andrew Robert Earl
Age: 42
Occupation: Teacher
Director: March 2002 to 14th June 2006

James Cameron Lacey
Age: 41
Occupation: Newsagent proprietor
Director since: May 2003

Peter Anthony McGowan
Age: 48
Occupation: Solicitor
Director since: June 2005

Mark Aloysius McKenzie-McHarg
Age: 47
Occupation: Management Consultant
Director since: March 2002

Cameron Clyde McKern
Age: 42
Occupation: Computing Consultant
Director since: March 2002

Phillip Andrew Newman
Age: 45
Occupation: Self employed
Director since: March 2002

David Jeffrey Norman
Age: 45
Occupation: Postal Deliveries
Director: March 2002 to 14th June 2006

Roger Oborn
Age: 68
Occupation: Retired
Director since: June 2006

Janice Joy Palmer
Age: 54
Occupation: Plant Nursery Owner
Director since: June 2006

Directors Meetings

The number of directors' meetings and the number of meetings attended by each of the directors of the company during the period are:

	Meetings held	*Meetings attended*
Andrew Earl	3 *	3
James Lacey	12	11
Peter McGowan	12	8
Mark McKenzie-McHarg	12	10
Cameron McKern	12	12
Phillip Newman	12	12
David Norman	3 *	2
Roger Oborn	9 *	9
Jan Palmer	9 *	8

*Indicates number of meetings held whilst director was in office.

Directors' Benefits

Since the end of the previous financial period no director of the company has received or became entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full time employee of the company or of a related body corporate) by reason of a contract made by the company or a related body corporate with a director or with a firm of which a director is a member, or with an entity in which a director has a substantial interest, except for those detailed in Note 12 to the financial report.

Directors' Report (continued)

Environmental Regulation

The company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The company has established procedures for monitoring compliance with existing environmental regulations and new regulations as they are enacted. This includes steps to be followed should an incident occur which has an adverse effect on the environment.

The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Indemnification and insurance of officers and auditors

Up to 30 June 2007 no insurance in respect of officers has been paid. No indemnity arrangements have been entered into with auditors.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act, 2001, is set out on page 6.

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 24th day of October, 2007.

....	....
Director, Cameron McKern	Director, Mark McKenzie-McHarg

KPMG

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Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: The Directors of Yackandandah Community Development Company

I declare that, to the best of my knowledge and belief, in relation to the audit for the 15 month period ended 30 June 2007 there have been:

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

KPMG

KPMG

Timothy S Frazer
Partner

Albury

25 October 2007

Income Statement
For the 15 month period ended 30 June 2007

	Note	15 months to 30 June 2007 $	12 months to 31 March 2006 $
Revenue from fuel sales		2,908,724	2,001,268
Revenue from other sales		631,522	303,107
Interest received		258	374
		3,540,504	2,304,749
Cost of goods sold		3,212,389	2,062,510
Accounting fees		4,984	1,737
Audit fees	14	6,725	4,500
Advertising and promotion		2,759	1,979
Depreciation and amortisation		35,866	26,344
Electricity		5,438	3,261
Employee expenses (including director-based payments)		211,246	140,165
Government and bank charges		4,788	4,087
Insurance		6,562	3,194
Printing and stationery		3,520	3,443
Telephone		3,388	2,411
Rent		1,914	-
Other expenses		2,311	4,303
Community Contribution	16	22,560	17,241
		3,524,450	2,275,175
Profit before tax		16,054	29,574
Income tax expense	18(a)	8,363	11,261
Profit for the period		7,691	18,313

These Statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 21.

Balance Sheet
As at 30 June 2007

	Note	15 months to 30 June 2007 $	12 months to 31 March 2006 $
CURRENT ASSETS			
Cash and cash equivalents	2	63,517	70,742
Trade and other receivables	3	72,665	59,394
Inventories	4	128,071	131,437
TOTAL CURRENT ASSETS		264,253	261,573
NON CURRENT ASSETS			
Property, plant and equipment	5	410,072	397,823
Deferred tax assets	18(c)	-	797
TOTAL NON CURRENT ASSETS		410,072	398,620
TOTAL ASSETS		674,325	660,193
CURRENT LIABILITIES			
Trade and other payables	6	208,911	162,519
Provisions	17	-	16,924
Income tax payable	18(b)	(8,993)	14,034
TOTAL CURRENT LIABILITIES		199,918	193,477
TOTAL LIABILITIES		199,918	193,477
NET ASSETS		474,407	466,716
EQUITY			
Issued capital	7	423,100	423,100
Retained earnings	8	51,307	43,616
TOTAL EQUITY		474,407	466,716

These Statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 21.

Statement of Recognised Income and Expenditure
For the 15 month period ended 30 June 2007

	Note	15 months to 30 June 2007 $	12 months to 31 March 2006 $
Net Income recognised directly in Equity		-	-
Profit for the Period		7,691	18,313
Total recognised income and expense for the Period		7,691	18,313

Statement of cash flows
For the 15 month period ended 30 June 2007

	Note	15 months to 30 June 2007 $	12 months to 31 March 2006 $
Cash flows from operating activities			
Cash receipts in the course of operations		3,879,672	2,526,882
Interest received		259	374
Cash payments in the course of operations		(3,822,117)	(2,505,933)
Net cash provided by operating activities	9	57,814	21,323
Cash flows from investing activities			
Payments for property, plant and equipment		(48,115)	(24,101)
Net cash used in investing activities		(48,115)	(24,101)
Cash flows from financing activities			
Repayments of borrowings		-	-
Proceeds from the issue of shares		-	-
Dividend paid		(16,924)	(15,020)
Net cash provided by financing activities		(16,924)	(15,020)
Net increase/(decrease) in cash held		(7,225)	(17,798)
Cash at the beginning of the financial year		70,742	88,540
Cash at the end of the financial year		63,517	70,742

These Statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 21.

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

1. Significant accounting policies

The Yackandandah Community Development Company Limited (the "Company") is a company domiciled in Australia. It is an unlisted public company.

The financial report was authorised for issue by the directors on 22nd October, 2007.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS ("AIFRS"). The financial report of the Company also complies with IFRS and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars.

The Company has not elected to early adopt any revised accounting standards as at 30th June, 2007.

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30th June 2007, but have not been applied in preparing this financial report:

- AASB 7 Financial Instruments: Disclosures (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the Company's financial instruments and share capital.

- AASB 2005-10 Amendments to Australian Accounting Standards (September 2005) makes consequential amendments to AASB 132 Financial Instruments: Disclosure and Presentation, AASB 101 Presentation of Financial Statements, AASB 114 Segment Reporting, AASB 117 Leases, AASB 133 Earnings Per Share, AASB 139 Financial Instruments: Recognition and Measurement, AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts arising from the release of AASB 7. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007 and is expected to only impact disclosures contained within the financial report.

- AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 makes amendments to AASB 5 Non-current Assets Held for Sale and Discontinued Operations, AASB 6 Exploration for and Evaluation of Mineral Resources, AASB 102 Inventories, AASB 107 Cash Flow Statements, AASB 119 Employee Benefits, AASB 127 Consolidated and Separate Financial Statements, AASB 134 Interim Financial Reporting, AASB 136 Impairment Assets, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 Operating Segments. This standard is only expected to impact disclosures contained within the financial report.

The financial report is prepared on the historical cost basis.

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts to assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management has been involved in the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. There are no critical accounting judgements which require specific disclosure.

(c) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The taxation year for the Company ends at June 30.

(d) Revenue recognition

Goods sold

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

(e) 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 from 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 the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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 operating cash flows.

(f) Trade or other receivables

Trade and other receivables are stated at their cost less impairment losses.

(g) Inventories

Raw materials, stores and finished goods are carried at the lower of cost allocated and net realisable value.

Fuel cost is calculated using a FIFO basis.

(h) Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease.

(i) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (k)).

The cost of self-constructed assets includes the cost of materials and direct labour.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Lease payments are accounted for as described in accounting policy (h).

(iii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

(iv) Depreciation/Amortisation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

Property, plant and equipment	**2007**	**2006**
Shop and forecourt	30 years	30 years
Fuel storage equipment	10-30 years	10-30 years
Fuel delivery equipment	5-20 years	5-20 years
Retail equipment	5-20 years	5-20 years

All depreciation rates are applied using a straight line basis.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Where applicable bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(k) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(l) Payables

Trade and other payables are stated at cost.

(m) Employee benefits

Wages, salaries, annual leave, sick leave and non-monetary benefits

All staff are employed on a casual basis. Accordingly, no obligation exists with regard to employee benefits for wages, salaries, annual leave and sick leave.

(n) Superannuation plan

The Company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

(o) Financial year comparatives

During the current financial period, the Company gained approval from the ATO to amend its balance date to 30th June. As a result the current financial period represents a 15 month period between 1st April 2006 and 30th June 2007. The comparatives are for a 12 month period ended 31 March 2006.

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

2. Cash and cash equivalents

	Note	30 June 2007 $	31 March 2006 $
Cash on hand		1,030	1,143
Unbanked Funds		7,734	1,715
Cash at bank		54,753	67,884
		63,517	70,742

3. Trade and other receivables

Trade debtors		50,240	39,108
GST refundable		22,425	20,286
Prepayments		-	-
		72,665	59,394

4. Inventories

Finished goods			
Fuel		39,318	48,616
Motor accessories and Oil		9,427	9,936
Rural supplies and hardware		70,421	64,661
Sundry		8,905	8,224
		128,071	131,437

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

5. Property, plant and equipment

	Note	30 June 2007 $	31 March 2006 $
Leasehold improvements			
Fuel storage equipment at cost		103,699	103,699
Accumulated depreciation		(20,714)	(13,649)
		82,985	90,050
Shop and forecourt at cost		278,593	234,157
Accumulated depreciation		(28,389)	(16,795)
		250,204	217,362
Plant and Equipment			
Fuel delivery equipment at cost		113,339	112,664
Accumulated depreciation		(42,171)	(27,130)
		71,168	85,534
Retail sales equipment at cost		7,992	5,715
Accumulated depreciation		(2,277)	(838)
		5,715	4,877
Total Property, plant and equipment		410,072	397,823

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Fuel Storage Equipment		
Carrying amount at beginning of year	90,050	95,706
Additions	-	-
Disposals	-	-
Depreciation	(7,065)	(5,656)
Carrying amount at end of year	82,985	90,050
Shop and Forecourt		
Carrying amount at beginning of year	217,362	204,415
Additions	45,162	20,879
Disposals	(665)	-
Depreciation	(11,655)	(7,932)
Carrying amount at end of year	250,204	217,362

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

	Note	30 June 2007 $	31 March 2006 $
Fuel Delivery Equipment			
Carrying amount at beginning of year		85,534	96,996
Additions		675	526
Disposals		-	-
Depreciation		(15,041)	(11,988)
Carrying amount at end of year		71,168	85,534
Retail Sales Equipment			
Carrying amount at beginning of year		4,877	2,949
Additions		2,278	2,695
Disposals		-	-
Depreciation		(1,440)	(767)
Carrying amount at end of year		5,715	4,877

6. Trade and other payables

Auditors remuneration		6,725	4,500
Trade creditors		173,153	129,806
PAYG Withholding payable		5,046	3,337
GST payable		23,987	24,512
Payroll related		-	364
		208,911	162,519

7. Equity

Issued capital			
4,231 (2006: 4,231) ordinary shares, fully paid		423,100	423,100
Ordinary shares			
Movements during the year:			
Balance at beginning of year		423,100	423,100
Shares issued		-	-
Closing balance		423,100	423,100

8. Retained Earnings

Retained profits at the beginning of the financial period		43,616	42,227
Current period profits		7,691	18,313
Provision for dividend	17	-	(16,924)
Rounding		-	-
Retained Profits at end of financial period		51,307	43,616

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

9. Notes to the statement of cash flows

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

	Note	30 June 2007 $	31 March 2006 $
Operating profit/(loss) after income tax		7,691	18,313
Add/(less) non-cash items:			
Depreciation/Amortisation		35,866	26,344
Amounts set aside to provisions		-	-
(Increase)/decrease in deferred tax assets		797	398
Increase/(decrease) in tax payable		(23,027)	3,618
Net cash provided by operating activities before change in assets and liabilities		21,327	48,673
Change in assets and liabilities during the financial year			
(Increase)/Decrease in inventories		3,366	(66,602)
(Increase)/Decrease in receivables		(13,271)	(7,210)
Increase/(Decrease) in payables		46,392	46,462
		57,814	21,323

10. Segment Reporting

The entity operates predominately in the fuel industry. The entity's operations are located in Yackandandah, Victoria. The entity supplies petroleum, rural supplies and associated products.

11. Financial Instruments

Exposure to credit and interest rate risk arises in the normal course of the Company's business.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Investments are allowed only in short term deposits within the traditional banking sector.

At the balance sheet date there were no significant concentrations of credit risk. The maximum amount of credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Effective interest rates

Bank deposits at call pay interest at a weighted average interest rate of 0.25% (2006: 0.25%).

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

12. Related Parties

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors	**Non-executive directors**	**Executive directors**
A Earl (Retired)	P Newman	C McKern
J Lacey	D Norman (Retired)	
P McGowan	R Oborn (Appointed)	
M McKenzie-McHarg	J Palmer (Appointed)	

Transactions with key management personnel

During the period, the Company paid $14,344 (2006: $10,963) to CCM Software Technologies Pty Ltd for company secretarial services supplied by C McKern.

Apart from the above, no other non-executive director has received any remuneration from the Company.

The key management personnel compensation included in "employee expenses" are as follows:

	30 June 2007 **$**	**31 March 2006** **$**
Short-term employee benefits	-	4,130
Other long-term benefits	-	-
	-	4,130

The aggregate amounts recognised during the period relating to directors and their director-related entities were as follows:

Director	**Transaction**			
J. Lacey	Purchases – stock & stationery	(1)	17,956	11,485
C. McKern	Purchases – computer equip	(2)	2,127	1,155
	Services – company secretary	(2)	14,344	10,963

(1) Goods purchased from Yackandandah Authorised Newsagency
(2) Goods and services purchased from CCM Software Technologies Pty Ltd

Certain director related parties are employed by the Company during the year as driveway attendants. The terms and conditions of employment for those persons is the same as those employees who are non director related.

All transactions with directors, or their director related parties are on normal terms and conditions or on a basis more favourable to the Yackandandah Community Development Company. Purchases by directors and director related parties from the retail site are on terms no more favourable than those available to the general public and are trivial or domestic in nature.

Amounts receivable from and payable to directors and their director-related entities at reporting date arising from these transactions were as follows:

Current Receivables		
Trade debtors	5,450	85

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

Apart from the details disclosed above in this note, no other director has entered into a material contract with the Company during the year or since the end of the previous financial year and there were no material contracts involving other directors' interests existing at year-end.

Directors' holdings of shares and share options
The interests of directors of the entity and their director-related entities in shares and share options at period-end are set out below:

	30 June 2007 $	31 March 2006 $
Yackandandah Community Development Company Ltd		
Ordinary Shares	176	137
Options over ordinary shares	-	-

All directors hold shares in the Company.

Directors' transactions in shares and share options
No directors or director related parties, sold or purchased shares in the Company during the 2007 period.

13. Economic dependency

100% of the fuel sold by the Company is currently sourced from Shell Fuels. However, the Directors are confident that alternative fuel supplies are available.

14. Auditor's Remuneration

Auditors of the Company – KPMG Albury		
Audit	4,500	3,500
Other Services	2,225	1,000
	6,725	4,500

15. Commitments

Non-cancellable operating lease expense commitments
Future operating lease commitments not provided for in the financial statements and payable:

Within one year	500	150
One year or later and no later than five years	2,100	150
Later than five years	-	-
	2,600	300

The Company leases property under a non-cancellable operating lease expiring on 12 August 2011. The lease provides the Company with a right of renewal for a further four terms of five years each, at which time all terms are renegotiated. Lease payments comprise a nominal rent which has no reflection on the market rate which will be assessed and commence as from the exercise of the first option.

Capital commitments	nil	nil

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

16. Community Contribution

Sponsorships were allocated to the following community groups and organisations:

	30 June 2007 $
Yackandandah Playgroup	(66)
** $750 was set aside in 2005-06, with $684 ultimately granted*	
Yackandandah Sports Park Committee	3,750
Yackandandah Garden Club	600
Indigo Shire Council – Fire Relief – English and Y&DHS	1,000
Yackandandah Folk Festival Committee	3,000
Yackandandah Community Education Network	1,600
Upper Hume Community Health Service	650
Yackandandah Fishing Club	2,000
Yackandandah & District Historical Society	600
Yackandandah Lions Club	5,000
Yackandandah Primary School	4,426
	22,560

17. Dividends

No dividend was paid during period (2006: $4.00 per ordinary share).

18. Taxation

(a) Income tax expense

	30 June 2007 $	31 March 2006 $
Prima facie income tax expense calculated at 30% (2006: 30%) on the profit from ordinary activities	4,816	8,872
Increase in income tax expense due to:		
Capital Costs	2,997	1,072
Other	550	1,317
Decrease in income tax expense due to:		
Capital contributions received (net)	-	-
Initial recognition of tax losses	-	-
Income tax under/(over) provided in prior year	-	-
Income tax expense attributable to profit from ordinary activities	8,363	11,261
Income tax expense/(revenue) attributable to profit from ordinary activities is made up of:		
Current income tax provision	7,566	10,863
Deferred income tax provision	-	-
Future income tax benefit	797	398
Over provision in prior year	-	-
	8,363	11,261

Notes to and forming part of the financial statements
For the 15 month period ended 30 June 2007

(b) Current tax liabilities

	Note	30 June 2007 $	31 March 2006 $
Provision for current income tax			
Movements during the year:			
Balance at beginning of year		14,034	10,416
Income tax paid		(30,593)	(7,245)
Current year's income tax expense on profit from ordinary activities		7,566	10,863
Under/(over) provision in prior year		-	-
		(8,993)	14,034

(c) Deferred tax assets

Future income tax benefit
Future income tax benefit comprises the estimated future benefit at the applicable rate of 30% on the following items:

Provisions and accrued employee benefits not currently deductible	-	-
Tax losses carried forward	-	-
Sundry items	-	797
	-	797

19. Contingent liabilities and contingent assets

Nil.

20. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' declaration

In the opinion of the directors of Yackandandah Community Development Company Limited:-

(a) the financial statements and notes as set out on pages 7 to 21, are in accordance with the Corporations Act 2001, including :

(i) giving a true and fair view of the financial position of the Company as at 30 June 2007, and of its performance for the 15 month financial period ending on that date; and

(ii) complying with Accounting Standards 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.

(c) the financial statements also comply with international financial reporting standards to the extent disclosed in the notes in the financial statements.

Dated at Yackandandah this 24th day of October, 2007.

Signed in accordance with a resolution of the directors.

Director, Cameron McKern

Director, Mark McKenzie-McHarg

KPMG

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YACKANDANDAH COMMUNITY DEVELOPMENT COMPANY LIMITED

Report on the financial report

We have audited the accompanying financial report of Yackandandah Community Development Company Limited ("the Company"), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the 15 month period ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 20 and the directors' declaration set out on pages 7 to 22.

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 establishing 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 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 the auditor's 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, the auditor considers internal control 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.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australia Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Auditor's opinion

In our opinion:

(a) the financial report of Yackandandah Community Development Company Limited is 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 2007 and of its performance for the 15 month period ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 to the extent outlined in Note 1.

(b) the financial report also complies with International Financial Reporting Standards to the extent disclosed in Note 1.

KPMG

KPMG

Timothy S Frazer

Partner

Dated at Albury this 25th day of October 2007.