ANNUAL REPORT

of

Yackandandah Community Development Company Limited
ABN 45 099 899 886

For the year ended 30 June 2008

Directors' Report

The Directors are proud to present the Annual Report of Yackandandah Community Development Company Limited (YCDCo or the Company) to shareholders, together with the financial report for the year ended 30 June 2008 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 performance of the Company over the last 12 months has been strong in a sometimes challenging retail environment.

Some achievements over the last 12 months include:

- a year of consolidation for Yackandandah Station with minimal capital expenditure and fewer one-off expenses;
- steady growth in fuel sales in the face of a volatile retail fuel market;
- maintenance of non-fuel revenue despite increased competition in this market;
- a profit of $36,343 (before Community Sponsorship);
- appointment of a full time manager;
- an increased return to shareholders via a dividend of $4.72 per share (a total of $19,970 to shareholders);
- an increased contribution of $33,558 to the wider Yackandandah community from our Community Sponsorship Program;
- the preparation of a shareholder discount scheme for introduction in Financial Year 2008/2009;

Farewell and thank you Phil

The directors of YCDCo would like to publicly acknowledge the untiring efforts of Phil & Lyn Buerckner during their time with the Company. Phil was appointed manager in November 2004 and retired in June 2008. As a team Phil and Lyn consistently provided service above and beyond the call of duty and YCDCo is very much in their debt.

Financial Result

The YCDCo Board is pleased to report an operating profit of $2,785 for the year ended 30 June 2008 (after income tax expense of $1,892). This compares to the operating profit of $7,691 reported for the 15 month period ended 30 June 2007 (after income tax of $8,363). These figures do not include our community commitment sponsorships which totalled $33,558 for the year (2006-07: $22,560 over the fifteen months).

Financial Reports

Detailed audited financial statements for the year ended 30 June 2008 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 audit is reduced by 20% to account for comparing a 15 month period with a 12 month period.

Directors' Report (continued)

	ADJUSTED RESULT 2006-07	RESULT 2007-08	% CHANGE
Turnover [Gross Revenue ($)]	$2,832,403	$3,234,402	14.2% Incr.
Adjusted Profit Calculation:			
Reported Profit (after tax, before dividend)	$6,153	$2,785	54.7% Decr.
Add: Community Commitment	$18,048	$33,558	85.9% Incr.
TOTAL - UNDERLYING RESULT:	**$24,201**	**$36,343**	**50.2% Incr.**

Capital Investment Program

Capital expenditure undertaken in the 2007-08 financial period is as follows:

• Staff kitchenette	$1,678
• Vinyl flooring and carpet for office	$4,325
• Computer (EFTPOS Server and Internet)	$400
• External weatherproof notice board	$1,532
TOTAL CAPITAL EXPENDITURE:	**$7,935**

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 (i.e. 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 as the new ones) which is reasonably attributable to the current period's operations.

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. The biennial calibration was completed during the year. The result of these inspections was that all dispensers were found to be accurate.

Dividends

A dividend of $4.72 was declared and paid during the reporting period. It is anticipated that the Board will declare a dividend during November, 2008. The community 'dividend' (community commitment payments) was over $33,000 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 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 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 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."**

Directors' Report (continued)

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 2008)	$457,222
Number of shares on issue (as at 30 June 2008)	4,231
Share Transfer Price (net asset backing per share)	**$108.06**

The Share Transfer Price as reported in last year's Annual Report was $112.13.

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.

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.

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:

Frank Burfitt
Age: 67
Occupation: Management Consultant
Director since: February 2008

James Cameron Lacey
Age: 42
Occupation: Newsagent proprietor
Director since: May 2003

Brett John Levi McClellan
Age: 41
Occupation: Builder
Director since: February 2008

Peter Anthony McGowan
Director: June 2005 to 17th January 2008

Mark Aloysius McKenzie-McHarg
Age: 48
Occupation: Management Consultant
Director since: March 2002

Cameron Clyde McKern
Age: 44
Occupation: Computing Consultant
Director since: March 2002

Phillip Andrew Newman
Age: 46
Occupation: Self Employed
Director: March 2002 to 20th March 2008

Roger Oborn
Age: 69
Occupation: Retired
Director since: June 2006

Janice Joy Palmer
Age: 55
Occupation: Plant Nursery Owner
Director since: June 2006

Directors' Report (continued)

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*
Frank Burfitt	4 *	2
James Lacey	10	10
Brett McClellan	4 *	4
Peter McGowan	4 *	3
Mark McKenzie-McHarg	10	8
Cameron McKern	10	9
Phillip Newman	4 *	4
Roger Oborn	10	9
Jan Palmer	10	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 13 to the financial report.

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 2008 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 5.

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 10th day of December, 2008.

Director, Cameron McKern

Director, James Lacey

WHK Audit &
Risk Assessment

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

To: the Directors of Yackandandah Community Development Company Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

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

WHK

WHK Audit & Risk Assessment

Timothy S Frazer
Partner

Dated at Albury this 10th day of December 2008

Member Horwath International
WHK Audit & Risk Assessment Pty Ltd ABN 16 673 023 918
491 Smollett Street Albury NSW 2640 Australia
PO Box 500 Albury NSW 2640 Australia
Telephone +61 2 6021 1111 Facsimile +61 2 6041 1892
A WHK Group firm

Income Statement
For the year ended 30 June 2008

	Note	12 months to 30 June 2008 $	15 months to 30 June 2007 $
Revenue from fuel sales		2,733,547	2,908,724
Revenue from other sales		500,584	631,522
Interest received		271	258
		3,234,402	3,540,504
Cost of goods sold		2,943,034	3,212,389
Accounting fees		0	4,984
Audit fees	15	8,973	6,725
Advertising and promotion		3,113	2,759
Depreciation and amortisation		29,456	35,866
Electricity		6,564	5,438
Employee expenses (including director-based payments)		180,191	211,246
Government and bank charges		3,107	4,788
Insurance		3,616	6,562
Printing and stationery		8,833	3,520
Telephone		2,952	3,388
Rent		2,274	1,914
Other expenses		4,054	2,311
Community Contribution	17	33,558	22,560
		3,229,725	3,524,450
Profit before tax		4,677	16,054
Income tax expense	19(a)	1,892	8,363
Profit for the period		2,785	7,691

These Statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 26.

Balance Sheet
As at 30 June 2008

	Note	30 June 2008 $	30 June 2007 $
CURRENT ASSETS			
Cash and cash equivalents	2	48,589	63,517
Trade and other receivables	3	95,843	72,665
Inventories	4	176,569	128,071
Other Assets	5	1,000	-
TOTAL CURRENT ASSETS		322,001	264,253
NON CURRENT ASSETS			
Property, plant and equipment	6	388,360	410,072
Deferred tax assets	19(c)	-	-
TOTAL NON CURRENT ASSETS		388,360	410,072
TOTAL ASSETS		710,361	674,325
CURRENT LIABILITIES			
Trade and other payables	7	253,917	208,911
Provisions		-	-
Income tax payable	19(b)	(3,074)	(8,993)
Employee benefits	8	2,296	-
TOTAL CURRENT LIABILITIES		253,139	199,918
TOTAL LIABILITIES		253,139	199,918
NET ASSETS		457,222	474,407
EQUITY			
Issued capital	9	423,100	423,100
Retained earnings	10	34,122	51,307
TOTAL EQUITY		457,222	474,407

These Statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 26.

Statement of Recognised Income and Expenditure
For the year ended 30 June 2008

	Note	12 months to 30 June 2008 $	15 months to 30 June 2007 $
Net Income recognised directly in Equity		-	-
Profit for the Period		2,785	7,691
Total recognised income and expense for the Period		2,785	7,691

Statement of cash flows
For the year ended 30 June 2008

	Note	12 months to 30 June 2008 $	15 months to 30 June 2007 $
Cash flows from operating activities			
Cash receipts in the course of operations		3,532,048	3,879,672
Interest received		271	259
Cash payments in the course of operations		(3,519,343)	(3,822,117)
Net cash provided by operating activities	11	12,976	57,814
Cash flows from investing activities			
Payments for property, plant and equipment		(7,934)	(48,115)
Net cash used in investing activities		(7,934)	(48,115)
Cash flows from financing activities			
Repayments of borrowings		-	-
Proceeds from the issue of shares		-	-
Dividend paid		(19,970)	(16,924)
Net cash used in financing activities		(19,970)	(16,924)
Net increase/(decrease) in cash held		(14,928)	(7,225)
Cash at the beginning of the financial year		63,517	70,742
Cash at the end of the financial year		48,589	63,517

These Statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 26.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

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 26th November, 2008.

(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 30 June, 2008.

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 30 June 2008, but have not been applied in preparing this financial report:

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company's disclosures.
- AI 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for rewards such as free or discounted goods or services. AI 13 becomes mandatory for the Company's 30 June 2009 financial statements. The Company has not yet determined the potential effect of the revised standard on future earnings.

The financial report is prepared on the historical cost basis.

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.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

1. Significant accounting policies (cont'd)

(b) Basis of preparation (cont'd)

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.

(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.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

1. Significant accounting policies (cont'd)

(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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 year ended 30 June 2008

1. Significant accounting policies (cont'd)

(i) Property, plant and equipment (cont'd)

(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	**2008**	**2007**
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, with the exception of the site manager, are employed on a casual basis. Accordingly, no obligation exists with regard to employee benefits for wages, salaries, annual leave and sick leave for these casual employees.

Liabilities for employee benefits for site manager wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on costs.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

1. Significant accounting policies (cont'd)

(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 previous financial period, the Company gained approval from the ATO to amend its balance date to 30 June. As a result the current financial period represents a 12 month period ended 30 June 2008. The comparatives are for the 15 month period between 1 April 2006 and 30 June 2007.

(p) Controlled Entity

The General Purpose financial report of the Company incorporates all commercial and non-business operations which the Company controls, either directly or through the operations of controlled entities, except for YCDCo (Yackity Yak) Pty Ltd which has not been included in the financial report on the basis that its revenue and expenditure from continuing operations is immaterial as at reporting date.

(q) Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or providing products or services within a particular economic environment (geographic segment), which is subject to risks and returns that are different from those of other segments. The Company's primary format for segment reporting is based on business segments. The business segments are determined based on the Company's management and internal reporting structure.

2. Cash and cash equivalents

	Note	30 June 2008 $	30 June 2007 $
Cash on hand		1,066	1,030
Unbanked Funds		2,122	7,734
Cash at bank		45,401	54,753
		48,589	63,517

3. Trade and other receivables

Trade debtors		62,793	50,240
GST refundable		33,050	22,425
Prepayments		-	-
		95,843	72,665

Trade debtors are shown net of impairment losses amounting to $3,269 (2007: $Nil).

Notes to and forming part of the financial statements
For the year ended 30 June 2008

4. Inventories

	Note	30 June 2008 $	30 June 2007 $
Finished goods			
Fuel		82,967	39,318
Motor accessories and Oil		9,708	9,427
Rural supplies and hardware		76,018	70,421
Sundry		7,876	8,905
		176,569	128,071

5. Other Assets

10 Shares in "YCDCo (Yackity Yak) Pty Ltd"		1,000	-
		1,000	-

6. Property, plant and equipment

Leasehold improvements			
Fuel storage equipment at cost		103,699	103,699
Accumulated depreciation		(26,385)	(20,714)
		77,314	82,985
Shop and forecourt at cost		284,595	278,593
Accumulated depreciation		(38,503)	(28,389)
		246,092	250,204
Plant and Equipment			
Fuel delivery equipment at cost		113,339	113,339
Accumulated depreciation		(54,344)	(42,171)
		58,995	71,168
Retail sales equipment at cost		9,734	7,992
Accumulated depreciation		(3,775)	(2,277)
		5,959	5,715
Total Property, plant and equipment		388,360	410,072

Notes to and forming part of the financial statements
For the year ended 30 June 2008

6. Property, plant and equipment (cont'd)

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

	Note	30 June 2008 $	30 June 2007 $
Fuel Storage Equipment			
Carrying amount at beginning of year		82,985	90,050
Additions		-	-
Disposals		-	-
Depreciation		(5,671)	(7,065)
Carrying amount at end of year		77,314	82,985
Shop and Forecourt			
Carrying amount at beginning of year		250,204	217,362
Additions		6,002	45,162
Disposals		-	(665)
Depreciation		(10,114)	(11,655)
Carrying amount at end of year		246,092	250,204
Fuel Delivery Equipment			
Carrying amount at beginning of year		71,168	85,534
Additions		-	675
Disposals		-	-
Depreciation		(12,173)	(15,041)
Carrying amount at end of year		58,995	71,168
Retail Sales Equipment			
Carrying amount at beginning of year		5,715	4,877
Additions		1,932	2,278
Disposals		(190)	-
Depreciation		(1,498)	(1,440)
Carrying amount at end of year		5,959	5,715

7. Trade and other payables

Auditors remuneration	3,158	6,725
Trade creditors	211,773	173,153
PAYG Withholding payable	5,500	5,046
GST payable	33,486	23,987
	253,917	208,911

Notes to and forming part of the financial statements
For the year ended 30 June 2008

8. Employee Benefits

	Note	30 June 2008 $	30 June 2007 $
Current			
Annual leave		204	-
Other employee entitlements		81	-
Accrued salaries and wages		2,011	-
		2,296	-

9. Equity

Issued capital			
4,231 (2007: 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

10. Retained Earnings

Retained profits at the beginning of the financial period		51,307	43,616
Current period profits		2,785	7,691
Dividend paid	18	(19,970)	-
Rounding		-	-
Retained Profits at end of financial period		34,122	51,307

Notes to and forming part of the financial statements
For the year ended 30 June 2008

11. Notes to the statement of cash flows

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

	Note	12 months to 30 June 2008 $	15 months to 30 June 2007 $
Operating profit/(loss) after income tax		2,785	7,691
Add/(less) non-cash items:			
Depreciation/Amortisation		29,456	35,866
Loss on disposal of property, plant and equipment		190	-
Amounts set aside to provisions		-	-
(Increase)/decrease in deferred tax assets		-	797
Increase/(decrease) in tax payable		5,919	(23,027)
Net cash provided by operating activities before change in assets and liabilities		33,350	21,327
Change in assets and liabilities during the financial year			
(Increase)/Decrease to other assets		(1,000)	-
(Increase)/Decrease in inventories		(48,498)	3,366
(Increase)/Decrease in receivables		(23,178)	(13,271)
Increase/(Decrease) in payables		45,006	46,392
Increase/(Decrease) in employee benefits		2,296	-
		12,976	57,814

12. Segment Reporting

Business segments

The Company comprises the following main business segments:

- Fuel: The sale of petroleum.
- Rural supplies: The sale of hardware and stockfeed.
- Other: The sale of other assorted products.

Geographical segments

All segments are managed in Yackandandah, Victoria.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

12. Segment reporting (cont'd)

Business segments

	Fuel		Rural Supplies		Other		Continuing Operations	
	12 months to 30 June 2008 $	15 months to 30 June 2007 $	12 months to 30 June 2008 $	15 months to 30 June 2007 $	12 months to 30 June 2008 $	15 months to 30 June 2007 $	12 months to 30 June 2008 $	15 months to 30 June 2007 $
External revenues	2,733,547	2,908,724	365,571	485,943	132,248	145,837	3,234,402	3,540,504
Inter-segment revenues	-	-	-	-	-	-	-	-
Segment revenue	2,733,547	2,908,724	365,571	485,943	132,248	145,837	3,234,402	3,540,504
Segment results	164,643	156,172	117,833	119.634	37,808	38,163	320,284	313,969
Unallocated expenses							(315,607)	(297,915)
Results from operating activities							4,677	16,054
Income tax expense							(1,892)	(8,363)
Profit for the period							2,785	7,691

	Fuel		Rural Supplies		Other		Continuing Operations	
	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $
Segment assets	282,300	242,040	97,588	84,202	7,876	8,905	387,764	335,147
Unallocated assets	-	-	-	-	-	-	322,597	339,178
Total assets	282,300	242,040	97,588	84,202	7,876	8,905	710,361	674,325
Segment liabilities	153,258	78,225	10,045	19,144	1,881	1,929	165,184	99,298
Unallocated liabilities	-	-	-	-	-	-	87,955	100,620
Total liabilities	153,258	78,225	10,045	19,144	1,881	1,929	253,139	199,918
Capital expenditure	-	675	-	-	-	-	675	-
Unallocated capital expenditure	-	-	-	-	-	-	7,259	48,115
Depreciation	17,844	22,106	-	-	-	-	17,844	22,106
Unallocated depreciation	-	-	-	-	-	-	11,612	13,095

13. 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
J Lacey	R Oborn	C McKern
P McGowan (Retired)	J Palmer	
M McKenzie-McHarg	F Burfitt (Appointed)	
P Newman (Retired)	B McClellan (Appointed)	

Transactions with key management personnel

During the period, the Company paid $7,763 (2007: $14,344) 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.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

13. Related parties (cont'd)

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

	12 months to 30 June 2008 $	15 months to 30 June 2007 $
Short-term employee benefits	-	-
Other long-term benefits	-	-
	-	-

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)	19,124	17,956
C. McKern	Purchases – computer equipment	(2)	424	2,127
	Services – company secretary	(2)	7,763	14,344

(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	3,338	5,450

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:

Yackandandah Community Development Company Ltd		
Ordinary Shares	198	176
Options over ordinary shares	-	-

All directors hold shares in the Company.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

13. Related parties (cont'd)

Directors' transactions in shares and share options
Frank Burfitt and Rhonda Kirkland purchased an additional 18 ordinary shares in the Company during the 2008 period.

14. Economic dependency

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

15. Auditor's Remuneration

The following services were provided to the Company by WHK from 1 April 2008 and KPMG Albury previous to 31 March 2008.

	12 months to 30 June 2008 $	**15 months to 30 June 2007 $**
Auditors of the Company		
Audit	6,973	4,500
Other Services	2,000	2,225
	8,973	6,725

16. Commitments

Non-cancellable operating lease expense commitments Future operating lease commitments not provided for in the financial statements and payable:	**12 months to 30 June 2008 $**	**15 months to 30 June 2007 $**
Within one year	600	500
One year or later and no later than five years	1,500	2,100
Later than five years	-	-
	2,100	2,600

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. Ownership of the property at 29 Railway Avenue, Yackandandah is vested with Indigo Shire Council, and is made available to the Company at a nominal rate. Lease payments have 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 year ended 30 June 2008

17. Community Contribution

Sponsorships were allocated to the following community groups and organisations:

	30 June 2008 $
Yackandandah & District Historical Society	(60)
** $600 was set aside in 2006-07, with $540 ultimately granted*	
Yackandandah Lions Club	(500)
** $5,500 was set aside in 2006-07, with $5,000 ultimately granted*	
Yackandandah Lions Club	1,500
Yackandandah Folk Festival Committee	3,000
Yackandandah Senior Citizens Club	500
Yackandandah Bush Nursing Hospital	10,000
Yackandandah & District Historical Society	10,000
Yackandandah & District Tourist Association	1,818
Yackandandah Sports Park Committee	4,800
Signs by Knight	2,000
** Brass plaques to be placed on sponsored items*	
Donations	500
	33,558

18. Dividends

A franked dividend of $4.72 per ordinary share was paid on 30th October, 2007 (2007: $4.00).

After balance date the Directors proposed a dividend of $4.42 per share. The dividends have not been provided. The financial effect of these dividends have not been brought to account in the financial statements for the financial year ended 30 June 2008 and will be recognised in subsequent financial reports.

19. Taxation

(a) Income tax expense

	12 months to 30 June 2008 $	15 months to 30 June 2007 $
Prima facie income tax expense calculated at 30% (2007: 30%) on the profit from ordinary activities	1,403	4,816
Increase in income tax expense due to:		
Capital Costs	-	2,997
Other	489	550
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	1,892	8,363

Notes to and forming part of the financial statements
For the year ended 30 June 2008

19. Taxation (cont'd)

	Note	12 months to 30 June 2008 $	15 months to 30 June 2007 $
Income tax expense/(revenue) attributable to profit from ordinary activities is made up of:			
Current income tax provision		1,892	7,566
Deferred income tax provision		-	-
Future income tax benefit		-	797
Over provision in prior year		-	-
		1,892	8,363

(b) Current tax liabilities

Provision for current income tax

Movements during the year:		
Balance at beginning of year	(8,993)	14,034
Income tax paid	4,027	(30,593)
Current year's income tax expense on profit from ordinary activities	1,892	7,566
Under/(over) provision in prior year	-	-
	(3,074)	(8,993)

(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	-	-
	-	-

20. Contingent liabilities and contingent assets

Nil.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

21. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Credit risk
Credit risk is the risk of loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Trade and receivables
The Company's exposure to credit risk is influenced mainly by the characteristics of the individual customer. The demographics of the customer base, including the default risk of the industry and the country in which it operates has less of an impact on the credit risk. Approximately 2.4 percent (2007: 0.8 percent) of the Company's revenue is attributable to sales transactions with one customer (Indigo Shire Council).

The Company has a policy of assessing each new customer's credit worthiness prior to credit and prior to services being provided. Losses have occurred just once in the last five years. Purchase limits are established for all customers, which represent the maximum time allowed for the debt to be settled in full. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company on a prepayment basis.

The Company has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments.

Investments
The Company has no investments at this point, except in YCDCo (Yackity Yak) Pty Ltd, a 100% owned subsidiary.

Guarantees
Group policy is to provide financial guarantees only when absolutely necessary. Just one outstanding guarantee exists, with The Shell Company of Australia Limited.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as the fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on hand to meets expected operational expenses for a period of 60 days, including the serving of financial obligations; this excludes the potential impact of extreme circumstances which cannot reasonably be predicted, such as natural disasters. In addition the Company maintains the following lines of credit:

- Overdraft, interest rate of 10.18%.

Notes to and forming part of the financial statements
For the year ended 30 June 2008

21. Financial risk management (cont'd)

Market risk
Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity process will affect the Company's income or the value of its holdings of financial instruments, The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimising the return.

Currency risk
The Company is not exposed to any currency risk on sales, purchases or borrowings that are denominated in a currency other than the Australian dollar (AUD).

Interest rate risk
The Company's interest rate exposure is limited to its overdraft facility. At reporting date this facility was unused.

Capital Management
The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors' monitors the return on capital. The Board of Directors' also monitors the level of dividends to ordinary shareholders.

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

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22. Financial Instruments

Credit risk

Exposure to credit risk
The carrying amount of the Company's financial assets represents the maximum credit exposure.

The Company's maximum credit exposure at 30 June 2008 was:

	Carrying amount	
	2008	**2007**
	$	**$**
Loans and receivables	62,793	50,240
Cash and cash equivalents	48,589	72,665
	111,382	122,905

The Company's maximum exposure to credit risk for trade receivables at reporting date by geographic region was:

Australia	62,793	50,240
	62,793	50,240

The Company's maximum exposure to credit risk for trade receivables at reporting date by customer type was:

Retail customers	62,793	50,240
	62,793	50,240

Notes to and forming part of the financial statements
For the year ended 30 June 2008

22. Financial instruments (cont'd)

Impairment losses
At reporting date the Company had receivables past due of $1,617 (2007: $3,220). The ageing of the Company's receivables at reporting date was:

	Gross 2008 $	Impairment losses 2008 $	Gross 2007 $	Impairment losses 2007 $
Not past due	61,176	-	47,020	-
Past due 0-30 days	1,514	-	974	-
Past due 31-120 days	-	-	-	-
More than 120 days	103	3,269	2,246	-
	62,793	3,269	50,240	-

The movement in the allowance for impairment in respect of trade receivables through the year was as follows:

	2008 $	2007 $
Balance at 1 July	-	-
Impairment loss recognised	3,269	-
Balance at 30 June	3,269	-

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of receivables not past due or up to 30 days past due.

Liquidity Risk
The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

30 June 2008

	Carrying amount $	Contractual cash flows $	6 mths or less $	6-12 mths $	1-2 years $	2-5 years $	More than 5 years $
Finance lease liabilities	41,611	41,611	7,908	7,248	15,267	11,188	-
Trade and other payables	241,098	241,098	241,098	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
	282,709	282,709	249,006	7,248	15,267	11,188	-

30 June 2007

	Carrying amount $	Contractual cash flows $	6 mths or less $	6-12 mths $	1-2 years $	2-5 years $	More than 5 years $
Finance lease liabilities	56,657	56,657	7,798	7,248	15,156	26,455	-
Trade and other payables	208,911	208,911	208,911	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
	265,568	265,568	216,709	7,248	15,156	26,455	-

Notes to and forming part of the financial statements
For the year ended 30 June 2008

22. Financial instruments (cont'd)

Currency risk
The Company was not exposed to any foreign currency risk at reporting date (2007: nil).

Interest rate risk
At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	2008	**2007**
	$	**$**
Fixed rate instruments		
Financial assets	48,589	63,517
Financial liabilities	-	-
	48,589	63,517
Variable instruments		
Financial liabilities	-	-
	-	-

Fair Values

Fair values versus carrying amount
The fair values of financial assets and liabilities were equal to the carrying amounts shown in the balance sheet as at reporting date.

23. 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 6 to 26, 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 2008, and of its performance for the year 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 10th day of December, 2008.

Signed in accordance with a resolution of the directors.

Director, Cameron McKern

Director, James Lacey

WHK Audit & Risk Assessment

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 sheets as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 23 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 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 Australian 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.

Member Horwath International
WHK Audit & Risk Assessment Pty Ltd ABN 16 673 023 918
491 Smollett Street Albury NSW 2640 Australia
PO Box 500 Albury NSW 2640 Australia
Telephone +61 2 6021 1111 Facsimile +61 2 6041 1892
A WHK Group firm

WHK Audit &
Risk Assessment

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 and the Group's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

WHK

WHK Audit & Risk Assessment

Timothy S Frazer
Partner

Dated at Albury this 10th day of December 2008

Member Horwath International
WHK Audit & Risk Assessment Pty Ltd ABN 16 673 023 918
491 Smollett Street Albury NSW 2640 Australia
PO Box 500 Albury NSW 2640 Australia
Telephone +61 2 6021 1111 Facsimile +61 2 6041 1892
A WHK Group firm