



ANNUAL REPORT

of

**Yackandandah Community Development
Company Limited**

ABN 45 099 899 886

For the year ended 30 June 2009

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 2009 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 financial performance of the Company over the last twelve months has been acceptable given the constraints of a very competitive Australian retail fuel market.

Some achievements over the last 12 months include:

- Steady growth in fuel and non-fuel sales;
- A contribution of \$12,847 to the local community through our Community Sponsorship Program;
- An increased reach into the local community through the gain of 69 shareholders; and,
- Continued fine-tuning of our business offering under our now full-time manager David Dunk.

Financial Result

The YCDCo Board is pleased to report an operating profit of \$11,348 for the year ended 30 June 2009 (after income tax expense of \$9,097). This compares to the operating profit of \$2,785 reported for the year ended 30 June 2008 (after income tax of \$1,892). These figures are after recognising our community commitment sponsorships which totalled \$12,847 for the year (2008: \$33,558).

Financial Reports

Detailed audited financial statements for the year ended 30 June 2009 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, after adjusting for community commitment sponsorships (treated as expenses in the Income Statement) which are added back to before tax profit.

	RESULT 2007-08	RESULT 2008-09	% CHANGE
Turnover [Gross Revenue (\$)]	\$3,234,402	\$3,558,051	10.0% Incr.
<i>Adjusted Profit Calculation:</i>			
Reported Profit (after tax, before dividend)	\$2,785	\$11,348	307.5% Incr.
Add: Community Commitment	\$33,558	\$12,847	61.7% Decr.
TOTAL - UNDERLYING RESULT:	\$36,343	\$24,195	33.4% Decr.

Directors' Report (continued)

Capital Investment Program

Capital expenditure undertaken in the 2008-09 financial period is as follows:

• Gas bottle cage	\$271
• Computer and desk for administration office	\$2,339
TOTAL CAPITAL EXPENDITURE:	\$2,610

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 initially as an expense in the income statement).

As these assets are used to support the ongoing operation of the Company their value decreases. This is reflected in the depreciation charge that is shown in the income statement.

Cameron McKern finishes with YCDCo

After more than seven years as Company Secretary, Cameron McKern tendered his resignation in April, effective from mid August, 2009. Cameron is also finishing as a Director, effective from the completion of YCDCo's Annual General Meeting.

Cameron joined YCDCo as a foundation shareholder in March, 2002. To quote the final paragraph of his letter of resignation:

"YCDCo has been a brilliant success, and for me personally a particularly exciting and rewarding enterprise to be a part of. I will continue to have a passionate, although not interfering, interest in the company."

Cameron was a driving force in the formation of this Company and has been an integral part of our operations since then. It would be easy to say that YCDCo would not be the same organisation without Cameron. It is more accurate to state that YCDCo would not be without him. Cameron's outstanding dedication, fastidious approach and intellectual capacity have been the building blocks upon which our Company has been founded. We wish Cam well in the future and will endeavour to maintain his high standards into the future of YCDCo.

Theft

It is disappointing to report that theft from our community-owned Company is occurring increasingly often.

To address this, we have introduced additional security cameras and now spend more time reviewing camera footage. We have a policy of actively prosecuting offenders, with successful prosecutions to date.

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 \$4.42 per share was declared and paid during the reporting period. The community 'dividend' (community commitment payments) was over \$12,000 for the 2009 financial 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.

Directors' Report (continued)

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.**”

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 2009)	\$449,869
Number of shares on issue (as at 30 June 2009)	4,231
Share Transfer Price (net asset backing per share)	\$106.33

The Share Transfer Price as reported in last year's Annual Report was \$108.06.

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 was not exposed to any derivatives during the year. 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 by monthly board review to ensure the Company is not exposed to any adverse liquidity risks.

Directors' Report (continued)

Directors

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

Frank Burfitt Age: 68 Occupation: Management Consultant Director: February 2008 Resigned: January 2009	Joanne Elizabeth Cox Age: 37 Occupation: Administration Assistant Director since: January 2009
Michael Frank Halsey Age: 48 Occupation: Accountant Director since: August 2009	James Cameron Lacey Age: 43 Occupation: Newsagent proprietor Director since: May 2003
Brett John Levi McClellan Age: 42 Occupation: Builder Director since: February 2008	Mark Aloysius McKenzie-McHarg Age: 49 Occupation: Management Consultant Director since: March 2002
Cameron Clyde McKern Age: 45 Occupation: Computing Consultant Director since: March 2002	Roger Oborn Age: 70 Occupation: Retired Director: June 2006 Resigned: January 2009
Janice Joy Palmer Age: 56 Occupation: Plant Nursery Owner Director since: June 2006	Ewen James Silvester Age: 45 Occupation: Scientist Director since: January 2009

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:

	<i>Meetings held</i>	<i>Meetings attended</i>
Frank Burfitt	6 *	3
Joanne Cox	4 *	3
James Lacey	10	9
Brett McClellan	10	10
Mark McKenzie-McHarg	10	9
Cameron McKern	10	10
Roger Oborn	6 *	6
Jan Palmer	10	8
Ewen Silvester	4 *	4

*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 14 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 2009 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 15th day of October, 2009.



Director, Cameron McKern



Director, James Lacey

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

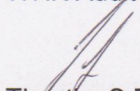
To: the Directors of Yackandandah Community Development Company Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 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 15th day of October 2009.

Income Statement For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue from fuel sales		3,022,323	2,733,547
Revenue from other sales		535,579	500,584
Interest received		149	271
		<u>3,558,051</u>	<u>3,234,402</u>
Cost of goods sold	3(a)	3,250,255	2,943,034
Audit fees	16	8,950	8,973
Advertising and promotion		1,157	3,113
Depreciation and amortisation		30,044	29,456
Electricity		5,402	6,564
Employee expenses (including director-based payments)	3(b)	203,493	180,191
Government and bank charges		3,770	3,107
Insurance		3,850	3,616
Printing and stationery		8,795	8,833
Telephone		3,464	2,952
Rent		3,313	2,274
Other expenses		2,266	4,054
Community Contribution	18	12,847	33,558
		<u>3,537,606</u>	<u>3,229,725</u>
Profit before tax		20,445	4,677
Income tax expense	20(a)	9,097	1,892
Profit for the period		<u>11,348</u>	<u>2,785</u>

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 27.

Balance Sheet

As at 30 June 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	2	6,993	48,589
Trade and other receivables	4	115,840	95,843
Inventories	5	149,010	176,569
Other assets	6	1,000	1,000
TOTAL CURRENT ASSETS		<u>272,843</u>	<u>322,001</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	360,925	388,360
Deferred tax assets	20(c)	-	-
TOTAL NON CURRENT ASSETS		<u>360,925</u>	<u>388,360</u>
TOTAL ASSETS		<u>633,768</u>	<u>710,361</u>
CURRENT LIABILITIES			
Trade and other payables	8	177,158	253,917
Provisions		-	-
Income tax payable	20(b)	2,377	(3,074)
Employee benefits	9	4,364	2,296
TOTAL CURRENT LIABILITIES		<u>183,899</u>	<u>253,139</u>
TOTAL LIABILITIES		<u>183,899</u>	<u>253,139</u>
NET ASSETS		<u>449,869</u>	<u>457,222</u>
EQUITY			
Issued capital	10	423,100	423,100
Retained earnings	11	26,769	34,122
TOTAL EQUITY		<u>449,869</u>	<u>457,222</u>

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 27.

Statement of Recognised Income and Expenditure For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Net Income recognised directly in Equity		-	-
Profit for the Period		11,348	2,785
Total recognised income and expense for the Period		<u>11,348</u>	<u>2,785</u>

Statement of cash flows For the year ended 30 June 2009

Cash flows from operating activities

Cash receipts in the course of operations		3,891,696	3,532,048
Interest received		149	271
Cash payments in the course of operations		(3,899,283)	(3,485,785)
Community commitment sponsorship payments		(12,847)	(33,558)
Net cash provided by/(used in) operating activities	12	<u>(20,285)</u>	<u>12,976</u>

Cash flows from investing activities

Payments for property, plant and equipment		(2,610)	(7,934)
Net cash used in investing activities		<u>(2,610)</u>	<u>(7,934)</u>

Cash flows from financing activities

Repayments of borrowings		-	-
Proceeds from the issue of shares		-	-
Dividend paid		(18,701)	(19,970)
Net cash used in financing activities		<u>(18,701)</u>	<u>(19,970)</u>
Net increase/(decrease) in cash held		(41,596)	(14,928)
Cash at the beginning of the financial year		48,589	63,517
Cash at the end of the financial year		<u>6,993</u>	<u>48,589</u>

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 27.

Notes to and forming part of the financial statements For the year ended 30 June 2009

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 15th October, 2009.

(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, 2009.

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 2009, 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.

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 2009

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 2009

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 2009

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:

<i>Property, plant and equipment</i>	2009	2008
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
Office 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 2009

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) 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.

(p) 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	2009 \$	2008 \$
Cash on hand	1,066	1,066
Unbanked Funds	-	2,122
Cash at bank	5,927	45,401
	<u>6,993</u>	<u>48,589</u>

3. Expenses

(a) Cost of goods sold

Fuel	2,848,761	2,733,547
Hardware	118,844	104,683
Stock feed and rural supplies	83,074	81,893
Other	199,576	22,911
	<u>3,250,255</u>	<u>2,943,034</u>

(b) Personnel expenses

Salaries and wages	185,683	164,901
Superannuation	15,150	12,133
Workers compensation	2,660	2,966
Other	-	191
	<u>203,493</u>	<u>180,191</u>

Notes to and forming part of the financial statements For the year ended 30 June 2009

4. Trade and other receivables

Note	2009 \$	2008 \$
Trade debtors	60,269	62,793
GST refundable	55,571	33,050
Prepayments	-	-
	<u>115,840</u>	<u>95,843</u>

Trade debtors are shown net of impairment losses amounting to \$3,269 (2008: \$3,269).

5. Inventories

<i>Finished goods</i>		
Fuel	46,891	82,967
Motor accessories and Oil	9,493	9,708
Rural supplies and hardware	83,037	76,018
Sundry	9,589	7,876
	<u>149,010</u>	<u>176,569</u>

6. Other Assets

10 Shares in "YCDCo (Yackity Yak) Pty Ltd"	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

YCDCo (Yackity Yak) Pty Ltd is a 100% owned entity of the Company. Note 1(o) provides additional information.

7. Property, plant and equipment

Leasehold improvements		
<i>Fuel storage equipment at cost</i>	103,699	103,699
<i>Accumulated depreciation</i>	(32,040)	(26,385)
	<u>71,659</u>	<u>77,314</u>
 <i>Shop and forecourt at cost</i>	 284,595	 284,595
<i>Accumulated depreciation</i>	(48,861)	(38,503)
	<u>235,734</u>	<u>246,092</u>

Notes to and forming part of the financial statements For the year ended 30 June 2009

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

Note	2009 \$	2008 \$
Plant and Equipment		
<i>Fuel delivery equipment at cost</i>	113,339	113,339
<i>Accumulated depreciation</i>	(66,484)	(54,344)
	<u>46,855</u>	<u>58,995</u>
 <i>Retail sales equipment at cost</i>	 10,004	 9,734
<i>Accumulated depreciation</i>	(5,508)	(3,775)
	<u>4,496</u>	<u>5,959</u>
 <i>Office equipment at cost</i>	 2,339	 -
<i>Accumulated depreciation</i>	(158)	-
	<u>2,181</u>	<u>-</u>
 Total Property, plant and equipment	 <u>360,925</u>	 <u>388,360</u>

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	77,314	82,985
Additions	-	-
Disposals	-	-
Depreciation	(5,655)	(5,671)
Carrying amount at end of year	<u>71,659</u>	<u>77,314</u>

Shop and Forecourt

Carrying amount at beginning of year	246,092	250,204
Additions	-	6,002
Disposals	-	-
Depreciation	(10,358)	(10,114)
Carrying amount at end of year	<u>235,734</u>	<u>246,092</u>

Fuel Delivery Equipment

Carrying amount at beginning of year	58,995	71,168
Additions	-	-
Disposals	-	-
Depreciation	(12,140)	(12,173)
Carrying amount at end of year	<u>46,855</u>	<u>58,995</u>

Notes to and forming part of the financial statements For the year ended 30 June 2009

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

	Note	2009 \$	2008 \$
Retail Sales Equipment			
Carrying amount at beginning of year		5,959	5,715
Additions		271	1,932
Disposals		-	(190)
Depreciation		(1,734)	(1,498)
Carrying amount at end of year		4,496	5,959
Office Equipment			
Carrying amount at beginning of year		-	-
Additions		2,339	-
Disposals		-	-
Depreciation		(158)	-
Carrying amount at end of year		2,181	-
8. Trade and other payables			
Auditors remuneration		4,041	3,158
Trade creditors		114,202	211,773
PAYG Withholding payable		5,272	5,500
GST payable		53,643	33,486
		177,158	253,917
9. Employee Benefits			
Current			
Annual leave		2,397	285
Accrued salaries and wages		1,966	2,011
		4,363	2,296
10. Equity			
Issued capital			
4,231 (2008: 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

Notes to and forming part of the financial statements For the year ended 30 June 2009

11. Retained Earnings

	Note	2009 \$	2008 \$
Retained profits at the beginning of the financial period		34,122	51,307
Current period profits		11,348	2,785
Dividend paid	19	(18,701)	(19,970)
Retained Profits at end of financial period		<u>26,769</u>	<u>34,122</u>

12. Notes to the statement of cash flows

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

Operating profit/(loss) after income tax		11,348	2,785
Add/(less) non-cash items:			
Depreciation/Amortisation		30,044	29,456
Loss on disposal of property, plant and equipment		-	190
Amounts set aside to provisions		-	-
(Increase)/decrease in deferred tax assets		-	-
Increase/(decrease) in tax payable		5,451	5,919
Net cash provided by operating activities before change in assets and liabilities		<u>46,843</u>	<u>33,350</u>
Change in assets and liabilities during the financial year			
(Increase)/Decrease to other assets		-	(1,000)
(Increase)/Decrease in inventories		27,559	(48,498)
(Increase)/Decrease in receivables		(19,997)	(23,178)
Increase/(Decrease) in payables		(76,758)	45,006
Increase/(Decrease) in employee benefits		2,068	2,296
		<u>(20,285)</u>	<u>12,976</u>

13. 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 2009

13. Segment reporting (cont'd)

Business segments

	Fuel		Rural Supplies		Other		Continuing Operations	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
External revenues	2,993,652	2,733,547	351,754	365,571	183,825	132,248	3,558,051	3,234,402
Inter-segment revenues	-	-	-	-	-	-	-	-
Segment revenue	<u>2,993,652</u>	<u>2,733,547</u>	<u>351,754</u>	<u>365,571</u>	<u>183,825</u>	<u>132,248</u>	<u>3,558,051</u>	<u>3,234,402</u>
Segment results	144,891	164,643	120,646	117,833	54,772	37,808	320,309	320,284
Unallocated expenses							(299,864)	(315,607)
Results from operating activities							20,445	4,677
Income tax expense							(9,097)	(1,892)
Profit for the period							<u>11,348</u>	<u>2,785</u>

	Fuel		Rural Supplies		Other		Continuing Operations	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Segment assets	225,673	282,300	97,616	97,588	9,589	7,876	332,878	387,764
Unallocated assets	-	-	-	-	-	-	300,890	322,597
Total assets	<u>225,673</u>	<u>282,300</u>	<u>97,616</u>	<u>97,588</u>	<u>9,589</u>	<u>7,876</u>	<u>633,768</u>	<u>710,361</u>
Segment liabilities	69,237	153,258	10,188	10,045	155	1,881	79,580	165,184
Unallocated liabilities	-	-	-	-	-	-	95,223	87,955
Total liabilities	<u>69,237</u>	<u>153,258</u>	<u>10,188</u>	<u>10,045</u>	<u>155</u>	<u>1,881</u>	<u>174,803</u>	<u>253,139</u>
Capital expenditure	-	-	2,339	-	-	675	2,339	675
Unallocated capital expenditure	-	-	-	-	272	7,259	272	7,259
Depreciation	17,796	17,844	1,734	-	-	-	19,530	17,844
Unallocated depreciation	-	-	-	-	10,516	11,612	10,516	11,612

14. 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

F Burfitt (Resigned Jan-2009)
J Lacey
B McClellan
M McKenzie-McHarg

Non-executive directors

R Oborn (Resigned Jan-2009)
J Palmer
J Cox (Appointed Jan-2009)
E Silvester (Appointed Jan-2009)

Executive directors

C McKern

Transactions with key management personnel

During the period, the Company paid \$5,044 (2008: \$7,763) 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 2009

14. Related parties (cont'd)

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

	2009 \$	2008 \$
Short-term employee benefits	-	-
Other long-term benefits	-	-
	<u>-</u>	<u>-</u>

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)	15,372	19,124
C. McKern	Purchases – computer equipment	(2)	294	424
	Services – company secretary	(2)	5,044	7,763

- (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	2,457	3,338

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	130	198
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 2009

15. 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.

16. Auditor's Remuneration

The following services were provided to the Company by WHK.

	2009 \$	2008 \$
Auditors of the Company		
Audit *	6,950	6,973
Other Services	2,000	2,000
	<u>8,950</u>	<u>8,973</u>

*The annual arrangement with WHK for 2008-09 commits the Company to \$7,195 in audit fees, \$6,950 of which has been recorded in these financial statements.

17. Commitments

<i>Non-cancellable operating lease expense commitments</i>	2009 \$	2008 \$
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	700	600
One year or later and no later than five years	800	1,500
Later than five years	-	-
	<u>1,500</u>	<u>2,100</u>

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.

Equipment lease expense commitments

Future equipment lease commitments not provided for in the financial statements and payable:

Within one year	14,496	14,556
One year or later and no later than five years	10,308	24,955
Later than five years	-	-
	<u>24,804</u>	<u>39,511</u>

<i>Capital commitments</i>	nil	nil
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Notes to and forming part of the financial statements For the year ended 30 June 2009

18. Community Contribution

Sponsorships were allocated to the following community groups and organisations:

	2009
	\$
<i>Yackandandah Bush Nursing Hospital</i>	(1,000)
<i>* \$10,000 was set aside in 2007-08, with \$9,000 ultimately granted</i>	
<i>Yackandandah & District Historical Society</i>	(5,969)
<i>* \$10,000 was set aside in 2007-08, with \$4,031 ultimately granted</i>	
<i>Yackandandah Garden Club</i>	1,820
<i>Yackandandah Folk Festival Committee</i>	1,500
<i>Yackandandah Cemetery Trust</i>	5,000
<i>Yackandandah Sports Park</i>	1,300
<i>Yackandandah Bowling Club</i>	3,905
<i>Allans Flat Fire Brigade</i>	7,000
<i>Less GST claimed</i>	(709)
	<u>12,847</u>

Total amount distributed in the prior year in community commitment sponsorship was \$33,558.

19. Dividends

A franked dividend of \$4.42 per ordinary share was paid on 27th November, 2008 (2008: \$4.72 on 30th October, 2007).

20. Taxation

(a) Income tax expense

	2009	2008
	\$	\$
Prima facie income tax expense calculated at 30% (2008: 30%) on the profit from ordinary activities	6,134	1,403
Increase in income tax expense due to:		
Capital Costs	-	-
Other	3,436	489
Decrease in income tax expense due to:		
Capital contributions received (net)	-	-
Initial recognition of tax losses	-	-
Income tax under/(over) provided in prior year	(473)	-
Income tax expense attributable to profit from ordinary activities	<u>9,097</u>	<u>1,892</u>

Notes to and forming part of the financial statements For the year ended 30 June 2009

20. Taxation (cont'd)

Note	2009 \$	2008 \$
Income tax expense/(revenue) attributable to profit from ordinary activities is made up of:		
Current tax expense	9,097	1,892
Deferred tax expense	-	-
Recoupment of prior tax losses	-	-
Over provision in respect of prior years	-	-
	<u>9,097</u>	<u>1,892</u>
(b) Current tax liabilities		
<i>Provision for current income tax</i>		
Movements during the year:		
Balance at beginning of year	(3,074)	(8,993)
Income tax paid/(refunded)	(3,646)	4,027
Current year's income tax expense on profit from ordinary activities	9,097	1,892
Under/(over) provision in prior year	-	-
	<u>2,377</u>	<u>(3,074)</u>
(c) Deferred tax assets		
<i>Future income tax benefit</i>		
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	-	-
	<u>-</u>	<u>-</u>

21. Contingent liabilities and contingent assets

Nil.

Notes to and forming part of the financial statements For the year ended 30 June 2009

22. 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 4.9 percent (2008: 2.4 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. This is an operating 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 they 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 meet 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 9.04%.

Notes to and forming part of the financial statements For the year ended 30 June 2009

22. 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 prices 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.

23. 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 2009 was:

	Carrying amount	
	2009	2008
	\$	\$
Loans and receivables	60,269	62,793
Cash and cash equivalents	6,993	48,589
	67,262	111,382

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

Australia	60,269	62,793
	60,269	62,793

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

Retail customers	60,269	62,793
	60,269	62,793

Notes to and forming part of the financial statements For the year ended 30 June 2009

23. Financial instruments (cont'd)

Impairment losses

At reporting date the Company had receivables past due of \$5,801 (2008: \$1,617). The ageing of the Company's receivables at reporting date was:

	Gross 2009 \$	Impairment losses 2009 \$	Gross 2008 \$	Impairment losses 2008 \$
Not past due	54,468	-	61,176	-
Past due 0-30 days	2,103	-	1,514	-
Past due 31-120 days	3,698	-	-	-
More than 120 days	-	3,269	103	3,269
	<u>60,269</u>	<u>3,269</u>	<u>62,793</u>	<u>3,269</u>

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

	2009 \$	2008 \$
Balance at 1 July	3,269	-
Impairment loss recognised	-	3,269
Balance at 30 June	<u>3,269</u>	<u>3,269</u>

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 2009

	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	26,454	26,454	8,017	7,249	11,188	-	-
Trade and other payables	177,158	177,158	177,158	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
	<u>203,612</u>	<u>203,612</u>	<u>185,175</u>	<u>7,249</u>	<u>11,188</u>	<u>-</u>	<u>-</u>

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	-	-	-	-	-	-	-
	<u>282,709</u>	<u>282,709</u>	<u>249,006</u>	<u>7,248</u>	<u>15,267</u>	<u>11,188</u>	<u>-</u>

Notes to and forming part of the financial statements For the year ended 30 June 2009

23. Financial instruments (cont'd)

Currency risk

The Company was not exposed to any foreign currency risk at reporting date (2008: nil).

Interest rate risk

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

	Carrying amount	
	2009 \$	2008 \$
Fixed rate instruments		
Financial assets	6,993	48,589
Financial liabilities	-	-
	<u>6,993</u>	<u>48,589</u>
Variable instruments		
Financial liabilities	-	-
	<u>-</u>	<u>-</u>

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.

24. 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 27, 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 2009, 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 15th day of October, 2009.

Signed in accordance with a resolution of the directors.



Director, Cameron McKern



Director, James Lacey

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 2009, 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 its performance.

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

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 2009 and of its 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 Audit & Risk Assessment



Timothy S Frazer
Partner

Dated at Albury this 15th day of October 2009.