

East Ivanhoe
Community Corporation Limited


Bendigo Bank

GN:RV

COPY

24 May 2006

Australian Securities and Investments Commission
PO Box 4000
Gippsland Mail Centre VIC 3841

Dear Sir/Madam

**EAST IVANHOE COMMUNITY CORPORATION LIMITED
CONDENSED FINANCIAL ACCOUNTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005**

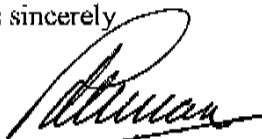
We enclose the condensed financial accounts for the six months ended 31 December 2005, which have been reviewed by the company's auditor David W McBain.

These accounts have changed slightly due to the inclusion of the deferred tax assets of \$7553.

These reviewed accounts amend Document Number 022729942, lodged with ASIC on 15 March 2006.

Should you have any queries in relation to the above, please contact me.

Yours sincerely



Graham P. Norman
Director

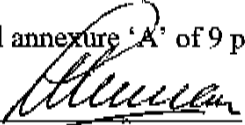
EAST IVANHOE COMMUNITY CORPORATION LTD

ACN: 095 312 744

CONDENSED FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED
31-DECEMBER 2005**

This is the amended annexure 'A' of 9 pages referred to in form 7051 copy of Half
Yearly Reports


Signature

25 MAY 2006
Date

CONDENSED DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2005.

Directors

The names of the directors that held office during the half-year and up to the date of this report, unless otherwise indicated, are as follows:

G Norman (Chairman)
P Verrocchi
N Caple
A Harris
H Heshusius
E Stagg
P Moloney (appointed 25/10/2005)
G Grayling (appointed 25/10/2005)
C Bales (resigned 26/10/2005)
B Overton (resigned 25/10/2005)

Principal Activities

The principal activities of the company during the course of the financial period were providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

Review and results of operations

Operations have continued in line with expectations.

The net profit of the company for the financial period after providing for income tax expense was \$92,071 (six months ended 31 December 2004: \$97,719).

Adoption of Australian Equivalents to Australian International Financial Reporting Standards (AIFRS)

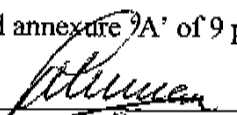
This interim financial report has been prepared under AIFRS, whilst preceding financial reports have been prepared using Generally Accepted Accounting Principals (GAAP). The implementation of AIFRS did not result in any material differences and therefore no reconciliation has been provided in this report.

Signed in accordance with a resolution of the Directors.


.....
Director

Dated this day of April 2006

This is the amended annexure 'A' of 9 pages referred to in form 7051 copy of Half Yearly Reports


Signature

Date

25 MAY 2006

McBain & Co Audit and Assurance Services
ABN - 26 028 714 960

PO Box 82 Balwyn Victoria Australia 3103

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
EAST IVANHOE COMMUNITY CORPORATION LIMITED**

Scope

We have reviewed the financial report of East Ivanhoe Community Corporation Limited for the half-year ended 31 December 2005. The directors are responsible for the half-year financial report that is lodged with the Australian Securities and Investments Commission.

We have performed an independent review of the financial report to state whether anything has come to our attention that would indicate the half-year financial report is not presented fairly in accordance with AASB 134: *Interim Financial Reporting*, other mandatory professional requirements, and statutory requirements, so as present a view that is consistent with our understanding of the financial position, and financial performance being its results from operations and cash flows.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to financial information that forms the half-year financial report. These procedures do not provide all the evidence that would be required in an audit. The level of assurance is, therefore, less than that given in an audit. As an audit has not been conducted, we do not express an audit opinion.

Statement

Based on our review, we have not become aware of any matter that makes us believe that the half-year financial report of East Ivanhoe Community Corporation Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2005 and performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) other mandatory professional requirements.

McBain & Co

D W McBain

**McBain & Co
Audit and Assurance Services**

**D W McBain (FCA, CPA)
Partner**

55 Whitehorse Road
Balwyn VIC 3103

Dated this 5th day of May 2006.

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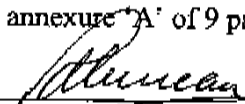
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25 MAY 2006
Date

CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005

	Six Months Ended 31 December 2005 \$	Six Months Ended 31 December 2004 \$
Revenue	395,251	350,736
Expenses	(261,578)	(208,995)
Profit before income tax	133,673	141,741
Income tax expense	(41,602)	(44,022)
Profit attributable to members of the entity	92,071	97,719

This is the amended annexure 'A' of 9 pages referred to in form 7051 copy of Half Yearly Reports


Signature

25 MAY 2006
Date

The accompanying notes form part of these condensed financial statements

CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2005

	As at 31 December 2005 \$	As at 30 June 2005 \$
CURRENT ASSETS		
Cash and cash equivalents	461,457	377,479
Trade and other receivables	70,468	57,962
Other current assets	5,631	26,479
TOTAL CURRENT ASSETS	537,576	461,920
NON-CURRENT ASSETS		
Deferred tax assets	7,553	7,553
Plant and equipment	71,716	76,564
TOTAL NON-CURRENT ASSETS	79,269	84,117
TOTAL ASSETS	616,845	546,037
CURRENT LIABILITIES		
Trade and other payables	28,395	25,640
Tax payables	45,456	17,865
Deferred Tax Liability	-	3,854
Provisions	25,174	25,173
TOTAL CURRENT LIABILITIES	99,025	72,532
NON-CURRENT LIABILITIES		
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	99,025	72,532
NET ASSETS	517,820	473,505
EQUITY		
Share capital	473,010	473,010
Retained earnings	44,810	495
TOTAL EQUITY	517,820	473,505

This is the amended annexure A of 9 pages referred to in form 7051 copy of Half
Yearly Reports

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25 MAY 2006

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CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005

	Ordinary share capital \$	Retained earnings (losses) \$	Total \$
Balance at 1 July 2004	473,010	(121,632)	351,378
Profit for the six months ending 31 December 2004		97,719	97,719
Dividends paid during the six months ending 31 December 2004		(23,877)	(23,877)
Balance at 31 December 2004	473,010	(47,790)	425,220
Profit for the six months ending 30 June 2005		48,285	48,285
Dividends paid during the six months ending 30 June 2005			
Balance at 30 June 2005	473,010	495	473,505
Profit for the six months ending 31 December 2005		92,071	92,071
Dividends paid during the six months ending 31 December 2005		(47,756)	(47,756)
Balance at 31 December 2005	473,010	44,810	517,820

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25 MAY 2006

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EAST IVANHOE COMMUNITY CORPORATION LTD

ACN: 095 312 744

**CONDENSED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005**

	Six Months Ended 31 December 2005 \$	Six Months Ended 31 December 2004 \$
CASH FLOW FROM (TO) OPERATING ACTIVITIES		
Cash receipts from customers (including any applicable GST)	413,326	367,452
Cash paid to suppliers and employees (including any applicable GST)	(237,180)	(197,038)
Interest received	1,916	3,462
Net GST (paid) / refunded	(28,463)	(23,606)
Income tax (paid) / refunded	(17,865)	-
Net cash provided by (used in) operating activities	<u>131,734</u>	<u>150,270</u>
 CASH FLOW FROM (TO) FINANCING ACTIVITIES		
Payment of dividends	<u>(47,756)</u>	<u>(23,877)</u>
Net cash provided by (used in) financing activities	<u>(47,756)</u>	<u>(23,877)</u>
 Net Increase (decrease) in cash and cash equivalents	83,978	126,393
 Cash and cash equivalents at beginning of the period	377,479	154,107
 Cash and cash equivalents at the end of the period	<u>461,457</u>	<u>280,500</u>

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Date

25 MAY 2006

The accompanying notes form part of these condensed financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The half-year financial report should be read in conjunction with the annual Financial Report of East Ivanhoe Community Corporation Ltd as at 30 June 2005, which was prepared based on the Australian Generally Accepted Accounting Principals (AGAAP) applicable at that time.

As this is the first interim financial report prepared under Australian Equivalents to International Financial Reporting Standards (AIFRS), the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as that report was presented under previous AGAAP. Accordingly, a summary of the significant accounting policies under AIFRS has been included below.

(a) Basis of accounting

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: *Interim Financial Reporting*, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (as applicable to interim financial reporting).

(b) Income Tax

As a result of the implementation of AIFRS, the accounting standards now require deferred tax assets to be recognised if it is probable that future profits will be available. The previous AGAAP standards required that profits be virtually certain before a deferred tax asset could be recognised. An objective of 'AASB 134: *Interim Financial Reporting*' is to ensure that a single accounting policy is applied to a particular class of transactions throughout an entire annual reporting period. Under 'AASB 108: *Accounting policies, Changes in Accounting Estimates, Errors*', a change in accounting policy is reflected by a retrospective application, with restatement of prior period financial data. A deferred tax asset is now recognised in the financial statements.

The company adopts the liability method of tax effect accounting whereby the income tax expense is based on the operating profit adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either a deferred tax asset or as a deferred tax liability, at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Deferred tax assets are not recognised unless it is probable that future tax profits will be available against which unused tax losses can be utilised.

The amount of tax assets brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and that the company will comply with the conditions of deductibility imposed by the law.

NOTE 2: EXPLANATORY NOTES

- (a)** The same accounting policies and methods of computation are followed in the interim financial report as compared with the most recent annual financial report, with the exception that Note 1(b) in respect of income tax has now been applied.

The nature of the change is that timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either a deferred tax asset or as a deferred tax liability, at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

The effect of this change is set out in 'Note 3: Impacts of the adoption of Australian Equivalents to International Financial Reporting Standards.'

This is the amended annexure 'A' of 9 pages referred to in form 7051 copy of Half Yearly Reports

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Date

25 MAY 2006

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005**

- (b) There were no seasonal or cyclical factors which affected interim operations.
- (c) There were no items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence, other than the adjustments set out in 'Note 3: Impacts of the adoption of Australian Equivalents to International Financial Reporting Standards.'
- (d) There were no changes in estimates of amounts reported in prior interim periods of the current annual reporting period or changes in estimates of amounts reported in prior annual reporting periods which have had a material effect in the current interim period, except for the impacts set out in 'Note 3: Impacts of the adoption of Australian Equivalents to International Financial Reporting Standards.'
- (e) There were no issuances, repurchases or repayments of debt and equity securities.
- (f) The Directors of East Ivanhoe Community Corporation Ltd declared and paid a dividend totalling \$47,756 during the six months ended 31 December 2005.
- (g) East Ivanhoe Community Corporation Ltd does not operate multiple business segments or in different geographical segments, therefore segment reporting in accordance with AASB 114: *Segment Reporting* has not been adopted.
- (h) There were no events subsequent to reporting date which had a material effect on the company's results or operations.
- (i) There were no changes in the composition of East Ivanhoe Community Corporation Ltd during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.
- (j) There were no changes in contingent liabilities or contingent assets since the last annual reporting date.
- (k) The presentation currency used is Australian dollars.

NOTE 3: IMPACTS OF THE ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (A-IFRS)

A-IFRS Transition Balance Sheet	Note	AGAAP \$	A-IFRS Transition Effects \$	A-IFRS \$
<i>As at 1 July 2004</i>				
Accumulated Losses	1	174,324	(52,692)	121,632
Deferred Tax Asset	1	-	52,692	52,692
				-
<i>As at 30 June 2005</i>				
Accumulated Losses / (Profits)	2	3,204	(3,699)	(495)
Deferred Tax Asset	2	-	7,553	7,553
Deferred Tax Liability	2	-	(3,854)	(3,854)

Notes:

- 1 Recognition of deferred tax asset at transition date on 1 July 2004 in accordance with Note 1(b).
- 2 Recognition of deferred tax asset and liability at 30 June 2005 in accordance with Note 1(b).

NOTE 4: COMPANY DETAILS

The principal place of business is:
233 Lower Heidelberg Rd
EAST IVANHOE VIC 3079

The registered office of the company is:
Suite 7, 50 Upper Heidelberg Rd
IVANHOE VIC 3079

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