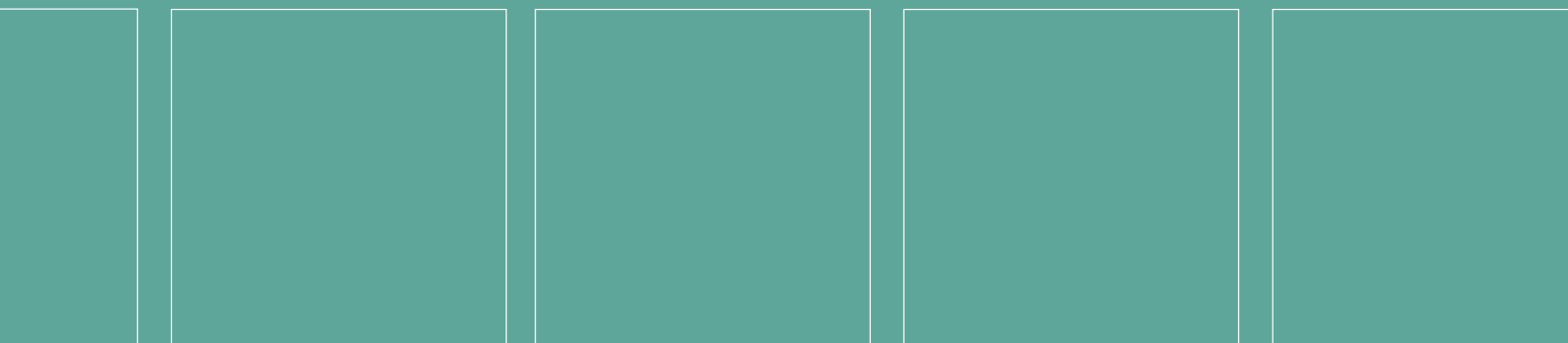


East Ivanhoe Community
Corporation Limited
ABN 62 095 312 744

2008 annualreport



Contents

| | |
|--|--------------|
| Chairman's report | 2-4 |
| Manager's report | 5 |
| Bendigo Bank Ltd report | 6 |
| Directors' report | 7-10 |
| Auditor's independence declaration | 11 |
| Financial statements | 12-15 |
| Notes to the financial statements | 16-31 |
| Directors' declaration | 32 |
| Independent audit report | 33-34 |
| BSX report | 35-36 |
| Sponsorships and grants for 2007 - 08 year | 37 |
| Community contributions and shareholder dividends | 38 |

Chairman's report

For year ending 30 June 2008

It is with pleasure that I present this eighth Annual Report to shareholders.

Our vision

Our vision is to be a key element in the success of our community's development, sustainability and prosperity. We will provide a level of service and community involvement which has people feeling left out if they are not banking with East Ivanhoe **Community Bank**® Branch.

Our mission

Our mission is

- to grow a sound and profitable banking facility for East Ivanhoe and surrounding communities
- to provide value for our shareholders, staff, customers and the community
- to support community programs and groups in providing key benefits to their communities

Current position

I proudly announce to you the 2008 year profit as \$ 281,238 before income tax. This is an improvement on last year's profit before tax of \$ 274,473.

This profit is reached after deducting our annual allocation toward Community Grants and sponsorships which this year totalled \$191,300.

During the last 12 months the number of accounts operated at the branch has grown and the value of our banking book has increased from \$106,000,000 to \$114,500,000.

At the 30 June, the East Ivanhoe Community Corporation had healthy retained earnings of \$289,606.

We believe this steady growth will continue over the next 12 month period ensuring a continuation of the successes we are enjoying.

Management and staff

Branch Manager – Noel Donnelly, Customer Service Supervisor – Julie Bullen, Customer Relations Officer – Jo-Ann Downey, Customer Service Officers – Debbie, Sylvia, Amy, Kerry, Nita and Carole. Our highly experienced team are critical players in the successful results that we are enjoying. They are our windows to the community providing excellent service to our valuable customer base. The Board appreciate their energy and enthusiasm, and the strong commitment to our Company Vision and Values.

Business initiatives and development

In January 2008, the East Ivanhoe community Corporation settled on the purchase of a property at Level 1, 223-225 Lower Heidelberg Rd in the East Ivanhoe Village. The Board saw this initiative as a positive investment ensuring our long-term tenancy in East Ivanhoe. It is not envisaged that our current location will

Chairman's report continued

alter from 233-235 Lower Heidelberg Rd where we enjoy a healthy business relationship with our current landlord. This purchase is seen as an astute investment, capitalising on this strong and tightly held area of real estate.

In April of this year the Board resolved to look at the opportunity of expanding with a second branch into the Burgundy Street area of Heidelberg. This initiative was reinforced by the closure of the Burgundy Street NAB in May. A ground swell of support resulted in a group of keen local community members joining to look further at this opportunity. It is with excitement that we await the progression of this exciting initiative.

The introduction of school banking at our local East Ivanhoe Primary School has been a most successful initiative on both a community and business level.

At the corporate level the merger of Adelaide and Bendigo Bank in November 2007 has been seen as a positive strategy with little or no disruption to our business.

Community contributions

During this 12 month period the East Ivanhoe **Community Bank**® Branch of Bendigo Bank has supported the community with a figure of \$ 166,051. The breakdown of this figure has been:-

- \$ 43,300 toward sponsorships and donations
- \$ 122,751 towards grants to different local not-for-profit organisations.

See the table at the end of this report for a detailed list of recipients.

A memorable evening was held in September 2007 when we allocated our Annual Grants to the recipients. We heard a short description from each group relaying their key focus and how their grant was to be used.

It is natural that the process of sponsorships, donations and grants will lead to building a healthier business as the return on this investment into our community is realised. Our aim is to maximise this return on our community investment.

Shareholders

Thank you for your support. You are ambassadors of our **Community Bank**® branch and the tangible benefits it brings to the community. We want to you to help us spread the word and support the Bank that supports your community.

Proudly, in this our eighth year of operation, the Board of Directors has announced a dividend of 13c per share fully franked for 2008. This is our fifth dividend allocation. See the table at the end of this report for a look at our past dividend allocation. We remind you that trading of our shares is on the open market at the Bendigo Stock Exchange.

The Board of Directors join me in encouraging those shareholders who are not yet banking with the East Ivanhoe **Community Bank**® Branch of Bendigo Bank that you consider doing so.

Board of Directors

This past year has seen numerous changes to Board personnel. Peter Moloney, Gabrielle Reardon and Deb Edgley have exited the Board. We thank each of them for the contribution that each made, undoubtedly leaving the Company in a better place by their input.

Chairman's report continued

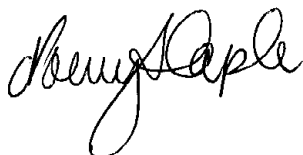
We have warmly welcomed a new Board member Paul Gittings. All Board members share positions on the following Sub Committees; Human Resource, Audit & Governance, Marketing and Sponsorship, Grants, and Business Development.

The Directors have attended various professional development seminars and workshops held throughout the year including a Company Director Workshop held by the AICD, New Director Seminars and specific workshops for key positions eg, Treasurer, Company Secretaries.

In April 2008, we engaged the services of Carly Kluge as the Public Relations & Marketing Coordinator. Carly came to us with a proven track record in this field and is supporting the Board with her skills and expertise. This initiative has enabled the Board to pursue strategies that prior to Carly's appointment were not possible.

In the role as Chairman, I am grateful for the support of Deputy Chairman, Graham Norman and Company Secretary, John Nelson, along with all Board members. Our Board members contribute generously of their time, together embracing the philosophy of the **Community Bank®** concept and working cooperatively toward achieving our goals. We continue to act on a voluntary base in the capacity of Directors on the East Ivanhoe Community Corporation Board, although the time involved and commitment given is most significant. Again we shall address this sensitive area of Board remuneration at our annual Board-planning day.

I look forward to our Annual General Meeting with the Shareholders on Tuesday, 11 November 2008.



Nancy Caple

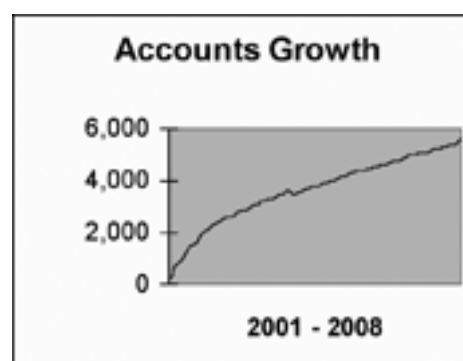
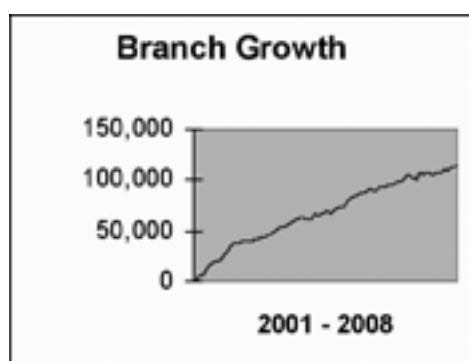
Chairman

Manager's report

For year ending 30 June 2008

Business has continued to grow with our book now in excess of \$114M and we have in more than 5,700 accounts. This is a sustained growth trend on both levels and shows the continued support our community is providing to their **Community Bank®** branch.

Our aim over the coming year is to grow our book value and customer base by another 10%, which we believe is achievable in the current economic climate.



We celebrated our seventh birthday in May – another great event for our community.

As we continue to grow and tell and re-tell our community story, the local community is gaining a better understanding of how our business supports their local community. We benefit not just customers, but also provide funding by way of sponsorship and grants to our local community. The more we grow the more support our local community receives. It is exciting for our staff to be involved in supporting our community.

I would like to thank the shareholders, Directors and customers, who have all combined to assist with our growth and success.

I acknowledge and thank the staff for their excellent support and service, without them we would not have a successful branch.

We encourage you to continue to spread the word about your local East Ivanhoe **Community Bank®** Branch.

Noel Donnelly
Branch Manager

noel.donnelly@bendigobank.com.au

Bendigo Bank Ltd report

For year ending 30 June 2008

Celebrating 10 years of the **Community Bank®** Network

June 2008 marks ten years since Bendigo Bank and the people of Rupanyup and Minyip unveiled the first **Community Bank®** branches in Australia, marking a turning point not only for the two small Victorian wheat belt towns, but for the Bendigo as well.

Today, these two towns have been joined by more than 210 communities to form Australia's fastest growing banking network – the **Community Bank®** concept. It is a significant milestone for Bendigo Bank and our **Community Bank®** partners.

The number of **Community Bank®** branches has doubled in the last four years and in the same time frame, customers have tripled their commitment of banking business to the community network, increasing it to more than \$11 billion.

More importantly, in excess of \$18 million in **Community Bank®** branch profits have been returned to community projects and \$12 million has been paid in dividends to more than 50,000 local shareholders. Behind those numbers are hundreds of stories of **Community Bank®** branches making a real difference to the lives of local people.

Whether it's building a community hall, sponsoring an art prize or even buying new footy jumpers for the local side – these **Community Bank®** branches are helping improve the economic and social prospects of their local communities. Add to those contributions the employment of more than 1000 staff members and daily expenses in the local economy and you have a truly meaningful contribution to those communities and to local prosperity.

As we reflect on the past 10 years, it's with a feeling of great pride and accomplishment for what has been achieved in partnership between our team at the Bendigo and our community partners. The landscape of banking has changed dramatically, but more importantly – so have the communities we partner and our own organisation.

Our partners have taken charge of outcomes locally that will impact positively for many years to come. Likewise, our organisation has built on our community focussed heritage and evolved to become a true partner to community.

Your commitment, enthusiasm and belief in the **Community Bank®** model has been instrumental, and for that we thank you. And here we are, only 10 years into this wonderful journey. Who knows what positive outcomes we'll be talking about in 10 years time, as the **Community Bank®** network matures?

It's an exciting prospect – and we are very proud of what our team and the communities we partner have achieved together.



Russell Jenkins

Chief General Manager Retail & Distribution

Directors' report

For year ending 30 June 2008

Your Directors submit the financial report of the Company for the financial year ended 30 June 2008.

Directors

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

Nancy Louise Caple

Chairman

Retailer

John Kenneth Nelson

Secretary

Chartered Accountant

Alexander Aaron Harris

Director

Building Contractor

Catherine Richmond

Director

Lecturer

Peter Moloney

Director (Resigned 13 November 2007)

Barrister

Gabrielle Eve Reardon

Director (Resigned 5 February 2008)

Teacher

Graham Peter Norman

Treasurer

Chartered Accountant

Evelyn Stagg

Director

Teacher

Cameron David Bragg

Director

Manager

Paul Anthony Gittings

Director (Appointed 5 May 2008)

Retired Real Estate Agent

Deborah Judith Edgley

Director (Resigned 25 February 2008)

Home Duties

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Company Secretary

The Company Secretary is John Kenneth Nelson. John was appointed to the position of Secretary on 1 August 2007, replacing Gabrielle E Reardon. John is a Chartered Accountant and has 35 years experience in industry accounting. He has had extensive corporate secretariate knowledge including previously performing the role as Company Secretary for a public Company.

Principal activities

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

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

Directors' report continued

Operating results

Operations have continued to perform in line with expectations. The profit of the Company for the financial year after provision for income tax was:

| Year ended 30 June 2008 | Year ended 30 June 2007 |
|----------------------------|----------------------------|
| \$ | \$ |
| 194,740 | 192,202 |

| Dividends | Year ended 30 June 2008 | |
|--|-------------------------|--------|
| | Cents | \$ |
| Final dividends declared and provided for in accounts: | | |
| - Franked dividend to be paid from 2008 profits | 13 | 62,083 |
| Dividends paid in the year from 2007 profits as recommended in last year's report: | | |
| - Franked dividend | 13 | 62,083 |

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial report.

Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

Likely developments

The Company will continue its policy of facilitating banking services to the community.

Environmental regulation

The Company is not subject to any significant environmental regulation.

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest except as disclosed in note 21 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Directors' report continued

Indemnification and insurance of Directors and Officers

The Company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Manager of the Company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate governance

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

- (a) The establishment of an audit committee. Members of the audit committee are Graham Norman (Convenor) John Nelson and Nancy Caple.
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Remuneration report

This report details the nature and amount of remuneration for each Director of East Ivanhoe Community Corporation Limited, and for the executives receiving the highest remuneration.

Remuneration policy

Directors

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Directors' report continued

Key management personnel remuneration policy

Key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and performance incentives.

Key management personnel also receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

Key management personnel compensation is disclosed in Note 20 to the financial statements.

Directors meetings


The number of Directors meetings attended by each of the Directors of the Company during the year were:

| | Number of Board meetings eligible to attend | Number attended |
|---|--|--------------------|
| Nancy Louise Caple | 11 | 10 |
| Graham Peter Norman | 11 | 8 |
| John Kenneth Nelson | 11 | 11 |
| Evelyn Stagg | 11 | 8 |
| Alexander Aaron Harris | 11 | 9 |
| Cameron David Bragg | 11 | 10 |
| Catherine Richmond | 11 | 8 |
| Paul Anthony Gittings (Appointed 5 May 2008) | 2 | 1 |
| Deborah Judith Edgley (Resigned 25 February 2008) | 6 | - |
| Peter Moloney (Resigned 13 November 2007) | 4 | 3 |
| Gabrielle Eve Reardon (Resigned 5 February 2008) | 6 | 3 |

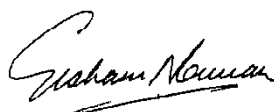
Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

Signed in accordance with a resolution of the Board of Directors at East Ivanhoe, Victoria on 11 September 2008.



Nancy Louise Caple
Chairman



Graham Peter Norman
Director

Auditor's independence declaration



McBAIN
McCartin & Co

Chartered Accountants
Audit & Assurance Services

Po Box 82 Balwyn
Victoria, Australia 3103
ABN 26 028 714 960

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EAST IVANHOE COMMUNITY CORPORATION LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

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

David W McBain FCA
Partner

McBain McCartin & Co

Dated this 11th day of September 2008

123 Whitehorse Rd
BALWYN VIC 3103

Liability limited by a scheme approved under Professional Standards Legislation

Level 1, 123 Whitehorse Road Balwyn VIC 3103
Phone: +61 3 9817 0700 Facsimile: +61 3 9817 0799 E-mail: office@mc bainmccartin.com.au Web: www.mcbainmccartin.com.au

Financial statements

Income statement For year ending 30 June 2008

| | Note | 2008 \$ | 2007 \$ |
|---|------|----------------|----------------|
| Revenues from ordinary activities | 3 | 1,125,559 | 956,889 |
| Salaries and employee benefits expense | | (366,417) | (323,040) |
| Advertising and promotion expenses | | (207,116) | (134,846) |
| Occupancy and associated costs | 4 | (86,468) | (69,805) |
| Systems costs | | (26,634) | (21,945) |
| Depreciation and amortisation expense | 4 | (12,516) | (11,970) |
| General administration expenses | 4 | (145,170) | (120,810) |
| Profit before income tax expense | | 281,238 | 274,473 |
| Income tax expense | 5 | (86,498) | (82,271) |
| Profit for the period | | 194,740 | 192,202 |
| Profit attributable to members of the entity | | 194,740 | 192,202 |
| Earnings per share (cents per share) | | | |
| | | c | c |
| - basic earnings per share | 24 | 40.78 | 40.20 |
| - diluted earnings per share | 24 | 40.78 | 40.20 |
| - dividends per share | 23 | 26 | 10 |

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

| | Note | 2008 \$ | 2007 \$ |
|--------------------------------------|------|------------------|----------------|
| Current assets | | | |
| Cash assets | 6 | 194,870 | 576,197 |
| Current tax assets | 7 | 2,128 | - |
| Trade and other receivables | 8 | 122,379 | 119,015 |
| Total current assets | | 319,377 | 695,212 |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 1,189,994 | 67,537 |
| Intangible assets | 10 | 5,833 | 7,833 |
| Deferred tax assets | 11 | 10,593 | 9,348 |
| Total non-current assets | | 1,206,420 | 84,718 |
| Total assets | | 1,525,797 | 779,930 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 55,785 | 33,764 |
| Borrowings | 13 | 5,332 | - |
| Current tax liabilities | 14 | - | 22,960 |
| Provisions | 15 | 77,331 | 16,349 |
| Total current liabilities | | 138,448 | 73,073 |
| Non-current liabilities | | | |
| Provisions | 15 | 20,065 | 14,815 |
| Borrowings | 13 | 604,668 | - |
| Total non-current liabilities | | 624,733 | 14,815 |
| Total liabilities | | 763,181 | 87,888 |
| Net assets | | 762,616 | 692,042 |
| Equity | | | |
| Issued capital | 15 | 473,010 | 473,010 |
| Retained profits | 16 | 289,606 | 219,032 |
| Total equity | | 762,616 | 692,042 |

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2008

| | Note | 2008 \$ | 2007 \$ |
|--|-------------|--------------------|-----------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 1,083,232 | 1,007,988 |
| Payments to suppliers and employees | | (784,600) | (748,122) |
| Interest expense | | (14,416) | - |
| Interest received | | 32,344 | 29,529 |
| Income taxes paid | | (112,831) | (49,936) |
| Net cash provided by operating activities | 17 | 203,729 | 239,459 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (1,132,973) | (5,806) |
| Net cash used in investing activities | | (1,132,973) | (5,806) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 610,000 | - |
| Repayment of borrowings | | - | (3,140) |
| Dividends paid | | (62,083) | (47,756) |
| Net cash provided by/(used in) financing activities | | 547,917 | (50,896) |
| Net increase/(decrease) in cash held | | (381,327) | 182,757 |
| Cash at the beginning of the financial year | | 576,197 | 393,440 |
| Cash at the end of the financial year | 6(a) | 194,870 | 576,197 |

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

| | Note | 2008 \$ | 2007 \$ |
|--|------|----------------|----------------|
| Total equity at the beginning of the period | | 692,042 | 547,596 |
| Net profit for the period | | 194,740 | 192,202 |
| Net income/expense recognised directly in equity | | - | - |
| Dividends provided for or paid | | (124,166) | (47,756) |
| Shares issued during period | | - | - |
| Total equity at the end of the period | | 762,616 | 692,042 |

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Summary of significant accounting policies

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial report covers East Ivanhoe Community Corporation Limited as an individual entity. East Ivanhoe Community Corporations Limited is a Company limited by shares, incorporated and domiciled in Australia.

East Ivanhoe Community Corporation Ltd shares are publicly traded on the Bendigo Stock Exchange.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Historical cost convention

The financial report has been prepared under the historical cost conventions on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable for the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operation cash flows.

Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Income tax (continued)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Employee entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Intangibles

The cost of the Company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

Cash

Cash and cash equivalents include cash on hand and deposits held at call with banks.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Property, plant and equipment

Freehold land and buildings are shown at cost. Buildings are shown at cost less subsequent depreciation for buildings.

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a diminishing value basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the diminishing value method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

| | |
|------------------------|----------------|
| buildings | 40 years |
| leasehold improvements | 40 years |
| plant and equipment | 2.5 - 13 years |

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Payment terms

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

Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed equity

Ordinary shares are recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Authorised for issue

The financial report was authorised for issue on 9 September 2008 by the Board of Directors.

Note 2. Financial risk management

The Company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

(i) Market risk

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The Company is not exposed to commodity price risk.

Notes to the financial statements continued

Note 2. Financial risk management (continued)

(iii) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The Company's franchise agreement limits the Company's credit exposure to one financial institution, being Bendigo Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Receivables and payables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Interest bearing liabilities

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

Notes to the financial statements continued

| | 2008 \$ | 2007 \$ |
|--|------------------|----------------|
| Note 3. Revenue from ordinary activities | | |
| Operating activities: | | |
| - services commissions | 1,082,131 | 925,121 |
| - other revenue | - | - |
| Total revenue from operating activities | 1,082,131 | 925,121 |
| Non-operating activities: | | |
| - interest received | 36,208 | 31,768 |
| - rental revenue | 7,220 | - |
| Total revenue from non-operating activities | 43,428 | 31,768 |
| Total revenues from ordinary activities | 1,125,559 | 956,889 |

Note 4. Expenses

| | | |
|--|---------------|---------------|
| Depreciation of non-current assets: | | |
| - plant and equipment | 10,516 | 9,970 |
| - leasehold improvements | - | - |
| Amortisation of non-current assets: | | |
| - franchise agreement | 2,000 | 2,000 |
| | 12,516 | 11,970 |
| Finance costs: | | |
| - interest paid | 14,416 | - |
| Bad debts | 6 | 3,395 |
| Rental expense on operating leases - minimum lease payments | 66,119 | 51,637 |

Notes to the financial statements continued

| | 2008 \$ | 2007 \$ |
|--|------------|------------|
|--|------------|------------|

Note 5. Income tax expense

(a) The component of tax expense comprise:

| | | |
|--------------|---------------|---------------|
| Current tax | 87,743 | 83,993 |
| Deferred tax | (1,245) | (1,722) |
| | 86,498 | 82,271 |

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

| | | |
|---|---------------|---------------|
| Operating profit | 281,238 | 274,473 |
| Prima facie tax on profit from ordinary activities at 30% | 84,371 | 82,342 |
| Add tax effect of: | | |
| - non-deductible expenses | 600 | 600 |
| - non-assessable income | 1,527 | (671) |
| Income tax expense on operating profit | 86,498 | 82,271 |

Note 6. Cash assets

| | | |
|--------------------------|----------------|----------------|
| Cash at bank and on hand | 29,197 | 12,104 |
| Term deposits | 165,673 | 564,093 |
| | 194,870 | 576,197 |

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

6(a) Reconciliation of cash

| | | |
|--------------------------|----------------|----------------|
| Cash at bank and on hand | 29,197 | 12,104 |
| Term deposit | 165,673 | 564,093 |
| | 194,870 | 576,197 |

Note 7. Current tax assets

| | | |
|-------------------------------|--------------|---|
| Current tax refundable | 2,128 | - |
|-------------------------------|--------------|---|

Notes to the financial statements continued

| | 2008 \$ | 2007 \$ |
|--|----------------|----------------|
| Note 8. Trade and other receivables | | |
| Trade receivables | 91,515 | 76,596 |
| Debtors & prepaid expenses | 30,864 | 42,419 |
| | 122,379 | 119,015 |

Note 9. Property, plant and equipment

Plant and equipment

| | | |
|-------------------------------|---------------|---------------|
| At cost | 178,422 | 161,450 |
| Less accumulated depreciation | (99,536) | (93,913) |
| | 78,886 | 67,537 |

Land & buildings

| | | |
|-------------------------------|------------------|---|
| At cost | 1,111,108 | - |
| Less accumulated depreciation | - | - |
| | 1,111,108 | - |

| | | |
|----------------------------------|------------------|---------------|
| Total written down amount | 1,189,994 | 67,537 |
|----------------------------------|------------------|---------------|

Movements in carrying amounts:

Plant and equipment

| | | |
|-------------------------------|---------------|---------------|
| Carrying amount at beginning | 67,537 | 71,701 |
| Additions | 23,199 | 5,806 |
| Disposals | (1,334) | - |
| Less: depreciation expense | (10,516) | (9,970) |
| Carrying amount at end | 78,886 | 67,537 |

Land & buildings

| | | |
|----------------------------------|------------------|---------------|
| Carrying amount at beginning | - | - |
| Additions | 1,111,108 | - |
| Disposals | - | - |
| Less: depreciation expense | - | - |
| Carrying amount at end | 1,111,108 | - |
| Total written down amount | 1,189,994 | 67,537 |

Notes to the financial statements continued

Note 9. Property, plant and equipment (continued)

The entity purchased 223-225 Lower Heidelberg Road, Ivanhoe East on 28 March 2008. The cost of land and buildings has not been split at reporting date and the entity is in the process of obtaining a valuation. Borrowing costs have been capitalised and depreciation expense has been assessed as immaterial for current year.

| | 2008 \$ | 2007 \$ |
|--------------------------------|--------------|--------------|
| 10. Intangible assets | | |
| Franchise fee | | |
| At cost | 10,000 | 10,000 |
| Less: accumulated amortisation | (4,167) | (2,167) |
| | 5,833 | 7,833 |

Note 11. Deferred tax

| | | |
|--|---------------|--------------|
| Opening balance | 9,348 | 7,626 |
| Recognition of provisions (see Note 4) | 1,245 | 1,722 |
| Closing balance | 10,593 | 9,348 |

Note 12. Trade and other payables

| | | |
|----------------------------|---------------|---------------|
| Trade creditors | 49,263 | 33,764 |
| Other creditors & accruals | 6,522 | - |
| | 55,785 | 33,764 |

Note 13. Borrowings

Current:

| | | |
|----------------------|--------------|---|
| Mortgage loan | 5,332 | - |
|----------------------|--------------|---|

Non-current:

| | | |
|----------------------|----------------|---|
| Mortgage loan | 604,668 | - |
|----------------------|----------------|---|

Bank loans are repayable monthly with the final instalment due on 28 April 2023. Interest is recognised at an average rate of 9.4%.

The mortgage loan is secured over the premises and is interest only for the first twelve months (28 April 2009).

Notes to the financial statements continued

| | 2008 \$ | 2007 \$ |
|--------------------------------|------------|---------------|
| Note 14. Current tax liability | | |
| Current tax payable | - | 22,960 |

Note 15. Provisions

Current:

| | | |
|----------------------------|---------------|---------------|
| Provision for annual leave | 15,248 | 16,349 |
| Provision for dividend | 62,083 | - |
| | 77,331 | 16,349 |

Non-current:

| | | |
|---|---------------|---------------|
| Provision for long service leave | 20,065 | 14,815 |
| Number of employees at year end | 6 | 6 |

Note 16. Contributed equity

| | | |
|---|----------------|----------------|
| 477,560 Ordinary shares fully paid of \$1 each (2007: 477,560) | 473,010 | 473,010 |
|---|----------------|----------------|

Note 17. Retained earnings

| | | |
|--|----------------|----------------|
| Balance at the beginning of the financial year | 219,032 | 74,586 |
| Net profit from ordinary activities after income tax | 194,740 | 192,202 |
| Dividends | (124,166) | (47,756) |
| Balance at the end of the financial year | 289,606 | 219,032 |

Notes to the financial statements continued

| | 2008 \$ | 2007 \$ |
|--|----------------|----------------|
| Note 18. Statement of cash flows | | |
| Reconciliation of loss from ordinary activities after tax to net cash provided by operating activities | | |
| Profit from ordinary activities after income tax | 194,740 | 192,202 |
| Non cash items: | | |
| - depreciation | 10,516 | 9,970 |
| - amortisation | 2,000 | 2,000 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in receivables | (3,364) | (972) |
| - (increase)/decrease in other assets | - | 34,057 |
| - (increase)/decrease in deferred tax asset | (3,373) | (1,722) |
| - increase/(decrease) in payables | (939) | (1,818) |
| -increase/(decrease) in provisions | 4,149 | 5,742 |
| Net cash flows provided by operating activities | 203,729 | 239,459 |

Note 19. Auditors' remuneration

Amounts received or due and receivable by the Auditor of the Company for:

| | | |
|---------------------------|--------------|--------------|
| - audit & review services | 9,500 | 8,150 |
| - non audit services | - | - |
| | 9,500 | 8,150 |

Note 20. Key management personnel compensation

Branch Manager

Short term benefits

| | | |
|-----------------|--------|--------|
| Salary and fees | 50,934 | 53,909 |
|-----------------|--------|--------|

Post employment benefits

| | | |
|----------------|--------|--------|
| Superannuation | 51,050 | 46,064 |
|----------------|--------|--------|

| | | |
|---------------------------|----------------|---------------|
| Total compensation | 101,984 | 99,973 |
|---------------------------|----------------|---------------|

Notes to the financial statements continued

Note 21. Director and related party disclosures

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

Nancy Louise Caple

Graham Peter Norman

John Kenneth Nelson

Evelyn Stagg

Alexander Aaron Harris

Cameron David Bragg

Catherine Richmond

Paul Anthony Gittings (Appointed 5 May 2008)

Deborah Judith Edgley (Resigned 25 February 2008)

Peter Moloney (Resigned 13 November 2007)

Gabrielle Eve Reardon (Resigned 5 February 2008)

No Director or related entity has entered into a material contract with the Company. No Director's fees have been paid as the positions are held on a voluntary basis.

| Directors shareholdings | 2008 | 2007 |
|---|-------------|-------------|
| Nancy Louise Caple | 5,251 | 5,251 |
| Graham Peter Norman | 14,751 | 12,751 |
| John Kenneth Nelson | 500 | 500 |
| Evelyn Stagg | 1,000 | 1,000 |
| Alexander Aaron Harris | 5,251 | 5,251 |
| Cameron David Bragg | 500 | 500 |
| Catherine Richmond | - | - |
| Paul Anthony Gittings (Appointed 5 May 2008) | - | - |
| Deborah Judith Edgley (Resigned 25 February 2008) | - | - |
| Peter Moloney (Resigned 13 November 2007) | - | - |
| Gabrielle Eve Reardon (Resigned 5 February 2008) | - | - |

Each share held is valued at \$1.

Notes to the financial statements continued

| | 2008 \$ | 2007 \$ |
|--|------------|------------|
|--|------------|------------|

Note 22. Capital and leasing commitments

a. Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

| | | |
|----------------------------------|----------------|----------------|
| not later than 12 months | 65,769 | 50,895 |
| between 12 months and five years | 115,096 | 147,817 |
| | 180,865 | 198,712 |

b. Capital expenditure commitments

There were no capital commitments as at 30 June 2008.

Note 23. Dividends paid or provided

a. Dividends paid during the year

Prior year proposed final 100% (2007: 100%) franked dividend - 13 cents (2007: 10 cents) per share

62,083 47,756

b. Dividends proposed and not recognised as a liability

Nil% (2007: 100%) franked dividend - Nil cents (2007: 13 cents) per share

- 47,756

c. Dividends proposed and recognised as a liability

100% (2007: Nil%) franked dividend - 13 cents (2007: Nil cents) per share

62,083 -

The tax rate at which dividends have been franked is 30% (2007: 30%).

Dividends proposed will be franked at a rate of Nil% (2007: 30%).

d. Franking credit balance

Balance of franking account at year end adjusted for franking credits arising from:

| | | |
|--|----------------|---------------|
| payment of provision for income tax | 143,504 | 117,966 |
| Subsequent to year-end, the franking account would be reduced by the proposed dividend reflected per (a) as follows: | (26,607) | (38,218) |
| | 116,897 | 79,748 |

Notes to the financial statements continued

| | 2008 \$ | 2007 \$ |
|--|------------|------------|
|--|------------|------------|

Note 24. Earnings per share

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

| | | |
|--|---------|---------|
| used in calculating earnings per share | 194,740 | 192,202 |
|--|---------|---------|

| | 2008 Number | 2007 Number |
|--|----------------|----------------|
|--|----------------|----------------|

(b) Weighted average number of ordinary shares used as the

| | | |
|---|---------|---------|
| denominator in calculating basic earnings per share | 477,560 | 477,560 |
|---|---------|---------|

Note 25. New accounting standards and interpretations

There is no direct impact on the entity's financial statements for the year ended 30 June 2008 arising from accounting standards issued but not effective at the reporting date.

Note 26. Events occurring after the balance sheet date

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 27. Contingent liabilities

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

Note 28. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being the East Ivanhoe suburb of Melbourne, Victoria.

Note 29. Registered office/principal place of business

The registered office and principal place of business is:

| | |
|---|---|
| Registered office | Principal place of business |
| 235 Lower Heidelberg Road, Ivanhoe East VIC 3079 | 235 Lower Heidelberg Road, Ivanhoe East VIC 3079 |

Notes to the financial statements continued

Note 30. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. The Company does not have any unrecognised financial instruments at the year end.

Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Income Statement and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest rate risk

| Financial instrument | Fixed interest rate maturing in | | | | | | | | | | | |
|------------------------------|---------------------------------|---------|----------------|------|-------------------|------|--------------|------|----------------------|--------|--|------|
| | Floating interest rate | | 1 year or less | | Over 1 to 5 years | | Over 5 years | | Non interest bearing | | Weighted average effective interest rate | |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| Financial assets | 29,198 | 12,103 | - | - | - | - | - | - | - | - | 6.41 | 4.50 |
| Cash assets | 165,673 | 564,093 | - | - | - | - | - | - | - | - | 7.39 | 6.20 |
| Term deposits | - | - | - | - | - | - | - | - | - 122,379 | 76,596 | N/A | N/A |
| Receivables | | | | | | | | | | | | |
| Financial liabilities | | | | | | | | | | | | |
| Interest bearing liabilities | - | - | 5,332 | - | 137,609 | - | 467,059 | - | - | - | 9.4 | N/A |
| Payables | - | - | - | - | - | - | - | - | - 55,785 | 33,764 | N/A | N/A |

Director's declaration

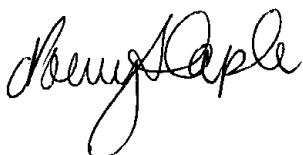
In accordance with a resolution of the Directors of East Ivanhoe Community Corporation Limited, we state that:

In the opinion of the Directors:

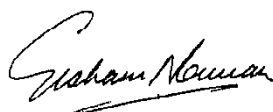
- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A of the Corporations Act.

This declaration is made in accordance with a resolution of the Board of Directors.



Nancy Louise Caple
Chairman



Graham Peter Norman
Director

Signed on 11 September 2008.

Independent audit report



McBAIN
McCartin & Co

Chartered Accountants
Audit & Assurance Services

Po Box 82 Balwyn
Victoria, Australia 3103
ABN 26 028 714 960

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
EAST IVANHOE COMMUNITY CORPORATION
LIMITED**

ACN 095 312 744

Report on the financial report

We have audited the accompanying financial report of East Ivanhoe Community Corporation Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 judgment, 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.

Liability limited by a scheme approved under Professional Standards Legislation

Level 1, 123 Whitehorse Road Balwyn VIC 3103
Phone: +61 3 9817 0700 Facsimile: +61 3 9817 0799 E-mail: office@mc bainmccartin.com.au Web: www.mcbainmccartin.com.au

Independent audit report continued

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

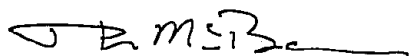
Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of East Ivanhoe Community Corporation Limited has not changed as at the date of providing our audit opinion.

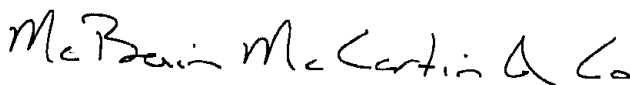
Auditor's Opinion

In our opinion,

- 1) the financial report of East Ivanhoe Community Corporation Limited is in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



David W McBain FCA
Partner



McBain McCartin & Co

Dated this 11th day of September 2008

123 Whitehorse Rd
BALWYN VIC 3103

Liability limited by a scheme approved under Professional Standards Legislation

Level 1, 123 Whitehorse Road Balwyn VIC 3103
Phone: +61 3 9817 0700 Facsimile: +61 3 9817 0799 E-mail: office@mc bainmccartin.com.au Web: www.mcbainmccartin.com.au

BSX report

Share information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 10 September 2008, which is within 6 weeks of this report being sent to shareholders.

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

| Number of shares held | Number of shareholders | Percentage of capital |
|---------------------------|------------------------|-----------------------|
| 1 to 1,000 | 137 | 18.90 |
| 1,001 to 5,000 | 73 | 52.19 |
| 5,001 to 10,000 | 21 | 28.91 |
| 10,001 to 100,000 | 0 | 0 |
| 100,001 and over | 0 | 0 |
| Total shareholders | 231 | 100.00 |

Each Shareholder is entitled to 1 vote, irrespective of the number of shares held.

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

There are 3 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities

All shares on issue are ordinary shares fully paid to \$1. There are no unquoted equity securities. The total number of shareholders is 231.

The following table shows the 10 largest shareholders

| Shareholder | Number of shares | Percentage of capital |
|-----------------------------------|------------------|-----------------------|
| Barlow Financial Services Pty Ltd | 10,000 | 2.09 |
| Berwell Pty Ltd | 10,000 | 2.09 |
| JL Knorr Pty Ltd | 10,000 | 2.09 |
| Riadell Pty Ltd | 10,000 | 2.09 |
| Exardua Pty Ltd | 7,750 | 1.62 |
| Mr Noel & Mrs Patricia Donnelly | 6,800 | 1.42 |
| Dr Damien Francis Clarke | 6,250 | 1.31 |
| Miss Joanne Bingham | 6,250 | 1.31 |
| Mr Geoffrey Henry Edwin Knorr | 6,250 | 1.31 |
| Mr Kenneth Norman | 6,250 | 1.31 |
| Total | 79,550 | 16.66 |

BSX report continued

Registered office and principal administrative office

The registered office of the Company is located at:

233-235 Lower Heidelberg Road,

East Ivanhoe VIC 3079

Telephone (03) 9497 5133

The principal administrative office of the Company is located at:

233-235 Lower Heidelberg Road,

East Ivanhoe VIC 3079

Telephone (03) 9497 5133

Security register

The security register (share register) is kept at:

Share Data National Share Registry Services

52 Angove Park Drive,

Tea Tree Gully South Australia 5091

Telephone (08) 8395 2308

Company Secretary

John Nelson has been Company Secretary since 1 August 2007. John is a Chartered Accountant with over 35 years experience in industry. He has extensive corporate secretariate experience including previously performing the role as Company Secretary of a public Company.

Corporate governance

The Company has implemented various Corporate Governance practices, which include:

- a) The establishment of an Audit and Governance Committee. Members of the Committee are N L Caple, G P Norman and J K Nelson
- b) Ongoing Director training
- c) Director approval of operating budgets and monitoring of progress against the budgets on a monthly basis;
and
- d) Monthly Director meetings to discuss performance and strategic plans.

Annexure 3A

There are no differences between the Annexure 3A and the Financial Documents contained in the Annual Report.

Sponsorship and grants for 2007-08 year

| | |
|--|---|
| Audrey Brooks Memorial Pre-school | Heidelberg West Football Club |
| Baby Boomers Expo | Heidelberg Women's Football Club |
| Banksia Palliative Care Service | Ivanhoe Girls Grammar School Concert |
| Banyule Festival 2008 | Ivanhoe Park Croquet Club |
| Banyule Housing Support Group | Livingstone Community Centre |
| Banyule Support & Information Centre | Mary Immaculate Primary School Ivanhoe |
| Catholic Parish of Ivanhoe Playgroup | Mirabel Association |
| City of Heidelberg Bowling Club | NMIT – Apprenticeship Awards |
| Eaglemont Tennis Club | Old Ivanhoe Grammarians Football Club |
| East Ivanhoe Bowling Club | Olympic Adult Education |
| East Ivanhoe Pre-school | Open House Christian Involvement Centre |
| East Ivanhoe Primary School | Olympic Village Pre-school |
| East Ivanhoe Traders Association | Rotary Club of Heidelberg |
| Heidelberg District Cricket Association | St George Anglican Parish East Ivanhoe |
| Heidelberg – East Ivanhoe Uniting Church | St John's Catholic Tennis Club |
| Heidelberg Historical Society | St Bernadette's Primary School |
| Heidelberg West Cricket Club | Viewbank Tennis Club |
| 96.5 Inner FM Radio | Youth Foundation Australia |

Total \$166,051

Community contributions and shareholder dividends

| Shareholder dividends | | |
|-----------------------|-----------------|--------------------|
| | Cents per share | Total distribution |
| 2004/05 | 5 cents | \$23,651 |
| 2005/06 | 10 cents | \$47,756 |
| 2006/07 | 10 cents | \$47,756 |
| 2007/08 | 13 cents | \$62,083 |

| Community contributions | | | | |
|--|---------|--------------|---------|----------|
| Financial year | CEF * | Sponsorships | Total | Grants** |
| 2001/04 | | 10,000 | 10,000 | |
| 2004/05 | 50,000 | 12,330 | 62,330 | |
| 2005/06 | 120,000 | 41,450 | 161,450 | 48,050 |
| 2006/07 | 100,000 | 30,400 | 130,400 | 70,490 |
| 2007/08 | 148,000 | 43,300 | 191,300 | 122,751 |
| | | | 555,480 | |
| <p>* CEF - Community Enterprise Foundation.</p> <p>** Grants distributed from contributions to CEF</p> | | | | |

East Ivanhoe **Community Bank**[®] Branch
233-235 Lower Heidelberg Road, East Ivanhoe VIC 3079
Phone: (03) 9497 5133 Fax: (03) 9497 5233

Franchisee: East Ivanhoe Community Corporation Limited
233-235 Lower Heidelberg Road, East Ivanhoe VIC 3079
ABN 62 095 312 744

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