

Heidelberg District
Community Enterprises Limited
Financial Statements
as at
31 December 2009

Heidelberg District Community Enterprise Limited
ABN 62 095 312 744
Directors' Report

Your Directors submit the financial report of the company for the half-year ended 31 December 2009.

Directors

The names of directors who held office during the half year and until the date of this report are as below:

Nancy L Caple

Graham P Norman

John K Nelson

Evelyn Stagg

Alexander A Harris

Catherine Richmond

Paul Anthony Gittings

Jennifer Sonia June Christiansen

Russell James Hutchins

David John Mayne

Brian Thomas Simpson

Brett Straun Purchase (*Appointed 22 February 2010*)

Cameron D Bragg (*Resigned 5 December 2009*)

Principal activities

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

Review and results of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period was: \$12,614 [2009: \$7,623].

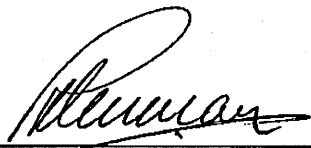
Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year reporting period 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.

Auditor's Independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

Signed in accordance with a resolution of the Directors at East Ivanhoe, Victoria on 15 March 2009.



Graham P Norman, Treasurer



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
HEIDELBERG DISTRICT COMMUNITY ENTERPRISE LIMITED
(formerly EAST IVANHOE COMMUNITY CORPORATION LIMITED)**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2009 there have been:

- a. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

McBain McCartin & Co

McBain McCartin & Co
Chartered Accountants

David W McBain

David W McBain (FCA, CPA)
Partner

123 Whitehorse Rd
BALWYN VIC 3103

Dated this 16th day of March 2010

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Heidelberg District Community Enterprise Limited
ABN 62 095 312 744
Income Statement
for the half-year ended 31 December 2009

	31-Dec-09	31-Dec-08
	\$	\$
Revenue from ordinary activities	686,448	577,040
Other revenue	34,412	26,144
Salaries and employee benefit expense	(331,779)	(223,934)
Occupancy and associated costs	(81,067)	(40,870)
Promotions, donations and community payments	(120,071)	(64,551)
Depreciation and amortisation expense	(34,006)	(6,366)
Impairment loss	-	(158,997)
General administration expenses	(150,199)	(97,637)
Profit/(loss) before income tax expense	3,738	10,829
Income tax (expense)/credit	8,876	(50,905)
Profit/(loss) for the period	12,614	(40,076)
Profit/(loss) attributable to members of the entity	12,614	(40,076)
 Earnings per Share		
	<u>c</u>	<u>c</u>
Earnings per share for the period were:	0.89	(8.4)
Diluted earnings per share for the period were:	0.89	(8.4)
Dividends paid per share	2	-

The accompanying notes form part of these financial statements.

Heidelberg District Community Enterprise Limited
ABN 62 095 312 744
Balance Sheet
as at 31 December 2009

	31-Dec-09	30-Jun-09
	\$	\$
ASSETS		
Current Assets		
Cash assets	1,086,977	342,311
Current tax assets	32,001	4,183
Trade and other receivables	121,080	120,443
Total Current Assets	<u>1,240,058</u>	<u>466,937</u>
Non-Current Assets		
Property, plant and equipment	1,357,641	1,069,699
Intangible assets	75,500	3,833
Deferred tax assets	16,597	15,293
Total Non-Current Assets	<u>1,449,738</u>	<u>1,088,825</u>
Total Assets	<u>2,689,796</u>	<u>1,555,762</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	52,665	84,172
Borrowings	28,211	28,684
Provisions	57,305	45,355
Total Current Liabilities	<u>138,181</u>	<u>158,211</u>
Non-Current Liabilities		
Borrowings	561,312	574,784
Provisions	8,051	7,162
Total Non-Current Liabilities	<u>569,363</u>	<u>581,946</u>
Total Liabilities	<u>707,544</u>	<u>740,157</u>
Net Assets	<u>1,982,252</u>	<u>815,605</u>
Equity		
Contributed equity	1,641,165	441,165
Retained earnings	341,087	374,440
Total Equity	<u>1,982,252</u>	<u>815,605</u>

The accompanying notes form part of these financial statements.

Heidelberg District Community Enterprise Limited
ABN 62 095 312 744
Statement of Changes in Equity
for the half-year ended 31 December 2009

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2008	473,010	289,606	762,616
Net profit for the period	-	(40,076)	(40,076)
Shares issued during period	-	-	-
Dividends provided for or paid	-	-	-
Balance at 31 December 2008	<u>473,010</u>	<u>249,530</u>	<u>722,540</u>
 Balance at 1 July 2009	 441,165	 374,440	 815,605
Net profit for the period	-	12,614	12,614
Shares issued during period	1,200,000	-	1,200,000
Dividends provided for or paid	-	(45,967)	(45,967)
Balance at 31 December 2009	<u>1,641,165</u>	<u>341,087</u>	<u>1,982,252</u>

The accompanying notes form part of these financial statements.

Heidelberg District Community Enterprise Limited
ABN 62 095 312 744
Cash Flow Statement
for the half-year ended 31 December 2009

	31-Dec-09	31-Dec-08
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	706,402	670,350
Payments to suppliers and employees	(636,303)	(429,599)
Interest received	5,329	9,394
Income taxes paid	(45,052)	(45,356)
Income taxes refunded	2,128	-
Interest expense	(18,605)	(28,670)
Net cash provided by operating activities	<u>13,899</u>	<u>176,119</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(313,615)	-
Payments for intangible assets	(80,000)	-
Net cash used in investing activities	<u>(393,615)</u>	<u>-</u>
Cash Flows From Financing Activities		
Repayment of borrowings	(13,945)	-
Proceeds from issues of equity securities	1,200,000	-
Payment for share issue costs	(15,705)	-
Dividends paid	(45,968)	(62,083)
Net cash provided by/(used in) financing activities	<u>1,124,382</u>	<u>(62,083)</u>
Net increase in cash held	744,666	114,036
Cash at the beginning of the financial year	342,311	194,870
Cash at the end of the half-year	<u><u>1,086,977</u></u>	<u><u>308,906</u></u>

The accompanying notes form part of these financial statements.

Heidelberg District Community Enterprise Limited

ABN 62 095 312 744

Notes to the financial statements
for the half-year ended 31 December 2009

1. Basis of preparation of the half-year financial statements

Statement of Compliance

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

Basis of Accounting

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the financial report for the year ended 30 June 2009 and any public pronouncements made by the company during the period.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2009. All accounting policies are consistent with those applied in the 30 June 2009 financial statements except as set out below.

Reporting Basis and Convention

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

2. Events subsequent to reporting date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

3. Contingent assets and liabilities

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

4. Segment Reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in one geographic area being the Heidelberg and East Ivanhoe suburbs of Melbourne, Victoria.

5. Dividends Paid

Period ended 31 December 2009	2009 Cents	2009 \$	2008 Cents	2008 \$
<i>Dividends paid during the half year</i>				
Final franked dividend for the year ended 30 June 2009 of Nil cents (2009: Nil cents franked)	2	45,968	-	-
<i>Dividends proposed and not recognised as a liability</i>	-	-	-	-


Heidelberg District Community Enterprise Limited
ABN 62 095 312 744
Directors' Declaration

In the opinion of the directors of Heidelberg District Community Enterprises Limited ("the Company"):

- 1 The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2009 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Graham P Norman, Treasurer

Dated this 15th day of March 2009.



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
HEIDELBERG DISTRICT COMMUNITY ENTERPRISE LIMITED
(formerly EAST IVANHOE COMMUNITY CORPORATION LIMITED)**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Heidelberg District Community Enterprise Limited (the company) which comprises the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the half-year 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 half-year 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 a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Heidelberg District Community Enterprise Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an 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 Heidelberg District Community Enterprise Limited, would be in the same terms if provided to the directors as at the date of this auditor's review report.

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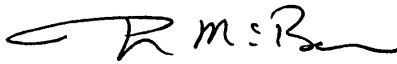
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Heidelberg District Community Enterprise Limited is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.



McBain McCartin & Co
Chartered Accountants



David W McBain (FCA, CPA)
Partner

123 Whitehorse Road,
Balwyn VIC 3103

Dated this 16th day of March 2010