



## Annexure 3A

### BSX Listing Rules

### Half yearly/Yearly Disclosure

#### References

Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

### Heidelberg District Community Enterprise Limited

Name of entity

62 095 312 744

Half yearly (tick)

☒

31 December 2010

**ABN**, ACN or ARBN

Annual (tick)

☐

Half year/financial year ended  
(‘Current period’)

#### Summary

				\$A,000
Sales revenue or operating revenue	up	30%	to	940
Profit/(Loss) before abnormal items and after tax	down	301%	to	(25)
Abnormal items before tax		gain (loss) of		-
Profit/(Loss) after tax but before outside equity interests	down	301%	to	(25)
Extraordinary items after tax attributable to members		gain (loss) of		-
Profit/(Loss) for the period attributable to members	down	301%	to	(25)

Dividends (distributions)	Franking rate applicable	%
Current period	Final	3¢
	Interim	-¢
Previous corresponding period	Final	2¢
	Interim	-¢
Record date for determining entitlements to the dividend, (in the		-

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

case of a trust distribution)

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

Not applicable

**Consolidated profit and loss account**

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	940	721
Expenses from ordinary activities	(977)	(717)
Borrowing costs	-	-
Share of net profit of associates and joint venture entities	-	-
Profit from ordinary activities before tax	(37)	4
Income tax on ordinary activities	12	9
Profit from ordinary activities after tax	(25)	13
Outside equity interests	-	-
Profit from ordinary activities after tax attributable to members	(25)	13
Profit from extraordinary activities after tax attributable to members	-	-
Profit for the period attributable to members	(25)	13
Retained profits at the beginning of the financial period	309	374
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	(69)	(46)
Retained profits at end of financial period	215	341

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Profit restated to exclude amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
Profit/(Loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	(25)	13
Less (plus) outside equity interests	-	-
Profit/(Loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	(25)	13

**Revenue and expenses from operating activities**

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Commission Revenue	898	686
Property Rental Income	20	21
Bank Interest Income	22	14
Expense		
Salary & Employee Expenses	(432)	(332)
Depreciation & Amortisation	(36)	(34)
Impairment loss	-	-
Donations & Community Payments	(215)	(120)
Other	(294)	(222)

**Intangible and extraordinary items**

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	-	-	-
Amortisation of other intangibles	9	-	9
<b>Total amortisation of intangibles</b>	9	-	9
Extraordinary items (details)	-	-	-
<b>Total extraordinary items</b>	-	-	-

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Comparison of half year profits**

(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	-	-
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	-	-

**Consolidated balance sheet**

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
<b>Current assets</b>			
Cash	624	1,052	1,087
Receivable	157	123	95
Investments	-	-	-
Inventories	-	-	-
Other (current tax asset)	46	22	58
<b>Total current assets</b>	<b>827</b>	<b>1,197</b>	<b>1,240</b>
<b>Non-current assets</b>			
Receivables	-	-	-
Investments	-	-	-
Other property, plant and equipment (net)	1,304	1,332	1,358
Intangibles (net)	59	68	75
Other (deferred tax asset)	50	38	17
<b>Total non-current assets</b>	<b>1,413</b>	<b>1,438</b>	<b>1,450</b>
<b>Total assets</b>	<b>2,240</b>	<b>2,635</b>	<b>2,690</b>
<b>Current liabilities</b>			
Accounts payable	45	38	54
Borrowings	53	29	28
Provisions	72	62	28
Other (provide details if material)	-	-	-
<b>Total current liabilities</b>	<b>170</b>	<b>129</b>	<b>110</b>

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**Half Yearly/Yearly Disclosure**

<b>Non-current liabilities</b>			
Accounts payable	-	-	-
Borrowings	202	546	561
Provisions	12	10	37
Other (provide details if material)	-	-	-
<b>Total non-current liabilities</b>	<b>214</b>	<b>556</b>	<b>598</b>
<b>Total liabilities</b>	<b>384</b>	<b>685</b>	<b>708</b>
<b>Net assets</b>	<b>1,856</b>	<b>1,950</b>	<b>1,982</b>
<b>Equity</b>			
Capital	1,641	1,641	1,641
Reserves	-	-	-
Retained profits	215	309	341
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
<b>Total equity</b>	<b>1,856</b>	<b>1,950</b>	<b>1,982</b>
Preference capital and related premium included	-	-	-

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	<b>Current period \$A'000</b>	<b>Previous corresponding period \$A'000</b>
Receipts from customers	979	707
Payments to suppliers and employees	(997)	(636)
Dividends received	-	-
Interest and other items of similar nature received	16	5
Interest and other costs of finance paid	(13)	(19)
Income taxes paid	(23)	(45)
Other (provide details if material)	-	2
<b>Net operating cash flows</b>	<b>(38)</b>	<b>14</b>

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

<b>Cash flows related to investing activities</b>		
Payments for purchases of property, plant and equipment	-	(314)
Proceeds from sale of property, plant and equipment	-	-
Payment for purchases of equity investments	-	-
Proceeds from sale of equity investments	-	-
Payment of Franchise Fees	-	(80)
Loans repaid by other entities	-	-
Other (Deposit on Land & Buildings)	-	-
<b>Net investing cash flows</b>	-	(394)
<b>Cash flows related to financing activities</b>		
Proceeds from issues of securities (shares, options, etc.)	-	1,200
Proceeds from borrowings	-	-
Repayment of borrowings	(321)	(14)
Dividends paid	(69)	(46)
Other (share issue costs)	-	(15)
<b>Net financing cash flows</b>	(390)	1,125
<b>Net increase (decrease) in cash held</b>	(428)	745
Cash at beginning of period (see <i>Reconciliation of cash</i> )	1,052	342
Exchange rate adjustments	-	-
<b>Cash at end of period</b> (see <i>Reconciliation of cash</i> )	624	1,087

**Non-cash financing and investing activities**

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

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**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	52	197
Deposits at call	572	890
Bank overdraft	-	-
Other (provide details)	-	-
<b>Total cash at end of period</b>	<b>624</b>	<b>1,097</b>

**Ratios**

	Current period	Previous corresponding period
<b>Profit before tax/sales</b>		
Consolidated profit/(loss) from ordinary activities before tax as a percentage of sales revenue	(4%)	1%
<b>Profit after tax/equity interests</b>		
Consolidated profit/(loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(1%)	1%

**Earnings per security (EPS)**

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	(1.11c)	0.089c
(b) Diluted EPS (if materially different from (a))		

**NTA backing**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.76	\$0.82

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Details of specific receipts/outlays, revenues/expenses**

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	22	14
Interest revenue included but not yet received (if material)	11	10
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
Depreciation (excluding amortisation of intangibles)	(27)	(26)
Impairment loss	-	-
Other specific relevant items	-	-

**Control gained over entities having material effect**

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$-
Date from which such profit has been calculated	-
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$-

**Loss of control of entities having material effect**

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	\$-
Date from which the profit (loss) has been calculated	-
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	\$-
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of	\$-



**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

control

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**Reports for industry and geographical segments**

**Segments**

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets

Unallocated assets

Total assets

) Comparative data for segment assets should be as at the  
) end of the previous corresponding period  
)

**Dividends**

Date the dividend is payable

-
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Record date to determine entitlements to the dividend (ie. On the basis of registrable transfers received up to 5.00 pm)

-
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**Amount per security**

		Franking rate applicable	%	%	%
<i>(annual report only)</i>		30%			
<b>Final dividend:</b>	Current year	3¢	N/A	-¢	N/A
	Previous year	2¢	¢	-¢	¢
<i>(Half yearly and annual statements)</i>					
<b>Interim dividend:</b>	Current year	-¢	N/A	-¢	N/A
	Previous year	-¢	-¢	-¢	-¢

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Total annual dividend (distribution) per security**  
*(Annual statement only)*

	Current year	Previous year
Ordinary securities	-¢	-¢
Preference securities	-¢	-¢

**Total dividend (distribution)**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$69	\$46
Preference securities	\$-	\$-
<b>Total</b>	\$69	\$46

**Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$-	\$-
Preference securities	\$-	\$-
<b>Total</b>	\$-	\$-

The dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices to the dividend or distribution plans

Any other disclosures in relation to dividends (distributions)

Nil disclosures.

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Equity accounted associated entities and other material interests**

*Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.*

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	-	-
Income tax	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	-	-
Outside equity interests	-	-
Net profit (loss) attributable to members	-	-

**Material interests in entities which are not controlled entities**

*The entity has an interest (that is material to it) in the following entities.*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Other material interests</b>	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Issued and listed securities**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
<b>Preference securities</b> <i>(description)</i>	-	-	-	-
Changes during current period	-	-	-	-
<b>Ordinary securities</b>	2,298,386	2,298,386	100	100
Changes during current period	-	-	-	-
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
			Exercise price	Expiry date
<b>Options</b> <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
Exercised during current period	-	-	-	-
Expired during current period	-	-	-	-
<b>Debentures</b>	-	-		
<b>Unsecured Notes</b>	-	-		

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Discontinuing Operations**

**Consolidated profit and loss account**

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Expenses from ordinary activities	-	-	-	-	-	-
Profit (loss) before tax	-	-	-	-	-	-
Less tax	-	-	-	-	-	-
Profit (loss) from ordinary activities after tax	-	-	-	-	-	-

**Consolidated statement of cash flows**

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows	-	-	-	-	-	-
Net investing cash flows	-	-	-	-	-	-
Net financing cash flows	-	-	-	-	-	-

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Other disclosures**

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:	-	-
- total assets	-	-
- total liabilities	-	-
Profit (loss) on disposal of assets or settlement of liabilities	-	-
Related tax		
Net profit (loss) on discontinuance	-	-

**Description of disposals**

**Comments by Directors**

**Basis of accounts preparation**

*If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

The company continues to trade in line with expectations and the entity has no material factors that have affected the revenues and expenses to report for the current period.

## Annexure 3A Half Yearly/Yearly Disclosure

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Bendigo and Adelaide Bank Limited (the Bank) has notified Heidelberg District Community Enterprise Limited that the Bank will be varying the amount of commission payable on certain products with effect from 1 April 2011.

Heidelberg District Community Enterprise Limited has assessed the impact of these changes, and estimates that this will result in a negative change to commission earnings of approximately \$26,000 in the year to 30 June 2011.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

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Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

N/A
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Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

N/A
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### Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

N/A
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A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

N/A
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### Annual meeting *(Annual statement only)*

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the annual report will be available	N/A

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are/are not\* (*delete one*) followed as compared with the most recent annual accounts.
- 4 This statement does/does not\* (*delete one*) give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:  
(*Tick one*)  
  
☐ The financial statements have been audited.  
  
☒ The financial statements have been subject to review by a registered auditor (or overseas equivalent).  
  
☐ The financial statements are in the process of being audited or subject to review.  
  
☐ The financial statements have *not* yet been audited or reviewed.
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*).
- 7 The entity has/~~does not have~~\* (*delete one*) a formally constituted audit committee.

Sign here:

  
(Director/Company secretary)

Date:

28/2/2011

Print name:

JOHN NELSON

**Notes**

**True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

**Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

**Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.



**Heidelberg District**  
**Community Enterprise Limited**

**Financial Statements**  
**for the half-year ended**  
**31 December 2010**

**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 2010.

**Directors**

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

Nancy Louise Caple

Graham Peter Norman

John Kenneth Nelson

Evelyn Stagg

Alexander Aaron Harris

Paul Anthony Gittings

Russell James Hutchins

David John Mayne

Brian Thomas Simpson

Brett Straun Purchase

Jennifer Sonia June Christiansen (*Resigned 28 February 2011*)

Catherine Richmond (*Resigned 23 August 2010*)

**Principal Activities**

The principal activity of the company during the course of the financial period was in facilitating **Community Bank®** services under management rights to operate franchised branches of Bendigo and Adelaide Bank Limited.

**Review and Results of Operations**

Operations have continued to perform in line with expectations. The net profit/(loss) of the company for the financial period after the provision of income tax was: (\$25,415) [2009: \$12,614].

**Matters Subsequent to the End of the Reporting Period**

Bendigo and Adelaide Bank Limited (the Bank) has notified Heidelberg District Community Enterprise Limited that the Bank will be varying the amount of commission payable on certain products with effect from 1 April 2011.

Heidelberg District Community Enterprise Limited has assessed the impact of these changes, and estimates that this will result in a negative change to commission earnings of approximately \$26,000 in the year to 30 June 2011.

There are no other 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.

**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 3.

Signed in accordance with a resolution of the directors at East Ivanhoe, Victoria on 28 February 2011.

A handwritten signature in black ink, reading "Nancy Louise Caple", written over a horizontal line.

**Nancy Louise Caple, Chairman**

### **Auditor's Independence Declaration**

As lead auditor for the review of Heidelberg District Community Enterprise Limited for the half year ended 31 December 2010 I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



**DAVID HUTCHINGS**

**ANDREW FREWIN & STEWART**

61-65 Bull Street, Bendigo, 3550

Dated this 28th day of February 2011

**Heidelberg District Community Enterprise Limited**  
**ABN 62 095 312 744**  
**Statement of Comprehensive Income**  
**for the half-year ended 31 December 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	939,576	720,860
Employee benefits expense	(432,377)	(331,779)
Charitable donations, sponsorship, advertising and promotion	(215,364)	(120,071)
Occupancy and associated costs	(117,399)	(81,067)
Systems costs	(49,533)	(22,267)
Depreciation and amortisation expense	(35,933)	(34,006)
Finance costs	(12,943)	(18,605)
General administration expenses	(113,699)	(109,327)
	<hr/>	<hr/>
<b>Profit/(loss) before income tax credit</b>	(37,672)	3,738
Income tax credit	12,257	8,876
	<hr/>	<hr/>
<b>Profit/(loss) after income tax credit</b>	(25,415)	12,614
	<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to members</b>	<b>(25,415)</b>	<b>12,614</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per Share</b>	<b>c</b>	<b>c</b>
Basic for profit for the period:	(1.11)	0.89

*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 2010**

	<b>31-Dec 2010 \$</b>	<b>30-Jun 2010 \$</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash assets	624,181	1,051,594
Current tax assets	45,835	22,374
Trade and other receivables	156,711	123,258
<b>Total Current Assets</b>	<b><u>826,727</u></b>	<b><u>1,197,226</u></b>
<b>Non-Current Assets</b>		
Property, plant and equipment	1,303,600	1,331,724
Intangible assets	59,500	68,500
Deferred tax asset	49,862	37,605
<b>Total Non-Current Assets</b>	<b><u>1,412,962</u></b>	<b><u>1,437,829</u></b>
<b>Total Assets</b>	<b><u>2,239,689</u></b>	<b><u>2,635,055</u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	45,245	38,189
Borrowings	52,575	29,123
Provisions	72,328	61,563
<b>Total Current Liabilities</b>	<b><u>170,148</u></b>	<b><u>128,875</u></b>
<b>Non-Current Liabilities</b>		
Borrowings	201,882	546,081
Provisions	11,754	9,827
<b>Total Non-Current Liabilities</b>	<b><u>213,636</u></b>	<b><u>555,908</u></b>
<b>Total Liabilities</b>	<b><u>383,784</u></b>	<b><u>684,783</u></b>
<b>Net Assets</b>	<b><u>1,855,905</u></b>	<b><u>1,950,272</u></b>
<b>Equity</b>		
Issued capital	1,641,165	1,641,165
Retained earnings	214,740	309,107
<b>Total Equity</b>	<b><u>1,855,905</u></b>	<b><u>1,950,272</u></b>

*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 2010**

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2009</b>	441,165	374,440	815,605
Total comprehensive income for the period	<u>-</u>	<u>12,614</u>	<u>12,614</u>
	<b>441,165</b>	<b>387,054</b>	<b>828,219</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	1,200,000	-	1,200,000
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(45,967)</u>	<u>(45,967)</u>
<b>Balance at 31 December 2009</b>	<u><b>1,641,165</b></u>	<u><b>341,087</b></u>	<u><b>1,982,252</b></u>
 <b>Balance at 1 July 2010</b>	 1,641,165	 309,107	 1,950,272
Total comprehensive income for the period	<u>-</u>	<u>(25,415)</u>	<u>(25,415)</u>
	<b>1,641,165</b>	<b>283,692</b>	<b>1,924,857</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(68,952)</u>	<u>(68,952)</u>
<b>Balance at 31 December 2010</b>	<u><b>1,641,165</b></u>	<u><b>214,740</b></u>	<u><b>1,855,905</b></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 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	979,417	706,402
Payments to suppliers and employees	(996,643)	(636,303)
Interest paid	(12,943)	(18,605)
Interest received	15,916	5,329
Income taxes paid	(23,461)	(45,052)
Income taxes refunded	-	2,128
<b>Net cash provided by/(used in) operating activities</b>	<b><u>(37,714)</u></b>	<b><u>13,899</u></b>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	-	(313,615)
Payments for intangible assets	-	(80,000)
<b>Net cash used in investing activities</b>	<b><u>-</u></b>	<b><u>(393,615)</u></b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issues of equity securities	-	1,200,000
Payment for share issue costs	-	(15,705)
Repayment of borrowings	(320,747)	(13,945)
Dividends paid	(68,952)	(45,968)
<b>Net cash provided by/(used in) financing activities</b>	<b><u>(389,699)</u></b>	<b><u>1,124,382</u></b>
<b>Net increase/(decrease) in cash held</b>	<b>(427,413)</b>	<b>744,666</b>
Cash at the beginning of the financial year	1,051,594	342,311
<b>Cash at the end of the half-year</b>	<b><u><u>624,181</u></u></b>	<b><u><u>1,086,977</u></u></b>

*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 2010**

**Note 1. Basis of Preparation of the Half-Year Financial Statements**

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

The half-year financial report is intended to provide users with an update on the latest annual financial statements and 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 annual financial report for the year ended 30 June 2010 and any public announcements made by the company during the

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

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.

Adoption of new and revised Accounting Standards

During the current year the entity has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the company.

*AASB 101 Presentation of Financial Statements*

In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

*Disclosure impact*

*Terminology changes* – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

*Reporting changes in equity* – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Heidelberg District Community Enterprise Limited**  
**ABN 62 095 312 744**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2010**

**Note 1. Basis of Preparation of the Half-Year Financial Statements (continued)**

Adoption of new and revised Accounting Standards (continued)

*Statement of comprehensive income* – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements contain a single statement of comprehensive income.

*Other comprehensive income* – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods, as follows:

- *AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*
- *AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has determined these amendments will have no impact on the preparation of the financial statements and therefore they have not been applied.

**Note 2. Events Subsequent to Reporting Date**

Bendigo and Adelaide Bank Limited (the Bank) has notified Heidelberg District Community Enterprise Limited that the Bank will be varying the amount of commission payable on certain products with effect from 1 April 2011.

Heidelberg District Community Enterprise Limited has assessed the impact of these changes, and estimates that this will result in a negative change to commission earnings of approximately \$26,000 in the year to 30 June 2011.

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

**Heidelberg District Community Enterprise Limited**  
**ABN 62 095 312 744**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2010**

**Note 3. Contingent Assets and Liabilities**

Estimates of the potential financial effect of contingent liabilities which may become payable are as follows:

The company has entered into an agreement with the Ivanhoe East Primary School to contribute \$200,000 towards the re-development of the Space Centre Educational Community Centre. A total of \$90,000 has been contributed to date via two instalments paid in June 2010 and December 2010. The remaining contribution of \$110,000 is payable via the following instalments:

July 2011	\$ 50,000
July 2012	\$ 30,000
July 2013	\$ 30,000

The payment of the remaining instalments is reliant upon delivery of the following benefits to the company upon completion of the facility (expected in June 2011):

- The naming rights of two conference rooms in the facility;
- The opportunity for a senior executive of the company to be involved in the opening ceremony and launch event;
- The right to secure a plaque in the foyer acknowledging the significant contribution made by the company to the facility;
- The right to have the company recognised as a major sponsor at all public events, media releases and newsletters; and
- A representative from the company address parent group meetings at least twice a year to share the Community Bank story.

**Note 4. Segment Reporting**

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

**Note 5. Dividends Paid/Provided**

	2010 Cents	2010 \$	2009 Cents	2009 \$
Dividend declared and paid during the period:	3.00	68,952	2.00	45,968

100% fully franked (2009: 100%)

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

In the opinion of the directors of Heidelberg District Community Enterprise 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 2010 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*.

This declaration is made in accordance with a resolution of the board of directors.



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**Nancy Louise Caple, Chairman**

Dated this 28th day of February 2011.

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Heidelberg District Community Enterprise Limited

### **Report on the Half Year Financial Report**

We have reviewed the accompanying half year financial report of Heidelberg District Community Enterprise Limited, which comprises the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half year then ended, selected explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing 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 the 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 2010 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

## **Independence**

In conducting our review we have complied with the independence requirements of the Corporations Act 2001.

## **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:

Giving a true and fair view of the company's financial position at 31 December 2010 and of 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.



**DAVID HUTCHINGS**

**ANDREW FREWIN & STEWART**

61-65 Bull Street, Bendigo, 3550

Dated this 28th day of February 2011