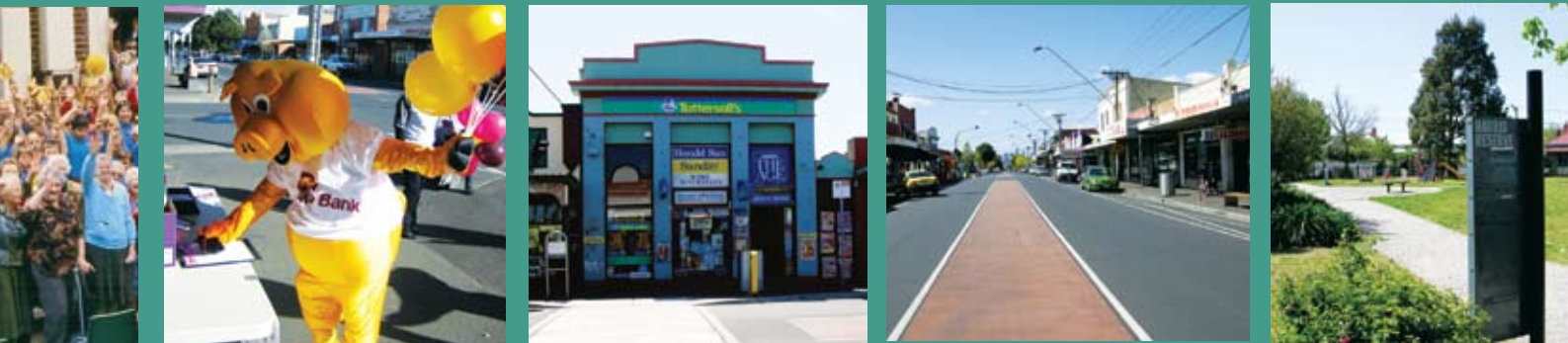


Inner West Community
Enterprises Limited
ABN 93 124 893 705

2008 annual report



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Chairman's report

For year ending 30 June 2008

Congratulations must go to my fellow Board Members, our valued shareholders, customers and supporters of the Seddon **Community Bank**[®] Branch. Without your support I would not have had the pleasure of writing this report and we wouldn't have our own bank branch, a branch that will return profit to our whole community.

For over two years, we have gone through the lengthy and challenging process that is required to establish a **Community Bank**[®] branch. We have been operational since May 2008 and currently have two staff, Branch Manager Suzanne Gee and Customer Relationship Officer Linda Woods. Both staff members are presently working from the Footscray Branch of the Bendigo and Adelaide Bank Limited. I thank Ronny Belini and his staff at Footscray for making Suzanne and Linda feel welcome and part of the Bendigo team.

I urge everyone to contact Suzanne and Linda to discuss their banking needs as the more business we get, the quicker we can start supporting our community.

Construction of our building at 90 Charles Street in Seddon has been a lot slower than we would have liked. That said, we are planning to have our doors open towards the end of February 2009.

During the year and since our Prospectus was launched, we had a change of Board members. Rhonda Brand resigned from the Board and Peter Gallagher was appointed. I thank Rhonda for her assistance in establishing our branch. I welcome Peter to the Board.

As this is our first AGM and Annual Report we are not required to hold an election of Directors. All current Directors have indicated they will remain on the Board until the next AGM in 2009.

Finally, our prospectus expires on 1 December 2008 and we still have some shares available that we would like to sell. To be fully sold would put us in a strong position to establish another branch in Yarraville without having to raise more capital. Please encourage your friends, neighbours and local traders to have a look at the prospectus and buy some shares. Alternatively, you might like to top up your own holding.



John Westbury

Chairman

Inner West Community Enterprises Limited

Manager's report

For year ending 30 June 2008

I would like to extend my great appreciation and thanks to our shareholders and new customers alike who have shown such enthusiasm and warmth to me over these past few months. It has given me such confidence that this project will prove successful for the whole community.

The Seddon residents and businesses have had to go without the convenience and support of a bank in the area for TOO LONG. Thanks to their commitment to this project we are now very close to opening our branch doors. The presence of an ATM will be a tangible asset to the shops and residents. As a promotion we are happy to waive some of our fees if you take out a loan with us, and this will equate to quite a saving.

We have seen continuous growth in support for the branch, helped greatly no doubt from seeing progress in the building throughout September. I am pleased to see an increase in the number of people now organising to open their accounts with us, and not simply waiting for the doors to open, taking advantage that our branch is fully domiciled and operational.

As the Branch Manager I am happy to be available to meet you at your convenience. Please feel free to contact myself or Customer Relationship Officer Linda Woods to organise an appointment. We will be happy to discuss your banking needs, or to provide further details of our special lending rates and promotion. Let's get these accounts opened over the next few months to simplify things once we move into our Charles Street premises.

I look forward to seeing you all at our opening,



Suzanne Gee

Branch Manager

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:

John Richard Westbury

Chairman
Age: 51
Self Employed
Interests in shares: 55,001

Kelly Ann Powers

Secretary
Age: 30
Lawyer
Interests in shares: 401

Elizabeth Helen MacClafferty

Director
Age: 79
Retired
Interests in shares: 2,001

Gary David Clough

Director
Age: 43
Electrical Contractor
Interests in shares: 10,001

David John Bardsley

Director
Age: 35
Self employed financial consultant
Interests in shares: 22,001

Rhonda Margaret Brand (Resigned 14 April 2008)

Director
Age: 47
Organisational Psychologist
Interests in shares: 501

Craig Neville Mundy (Appointed 30 July 2007)

Treasurer
Age: 38
Accountant
Interests in shares: 500

Travis John Bell

Deputy Chairman
Age: 35
Business Owner
Interests in shares: 2,501

Andy Paul Moutray-Read

Treasurer
Age: 40
Business Owner
Interests in shares: 2,501

James Lewin Macdougall

Director
Age: 50
Company Director
Interests in shares: 7,001

Peter James Gallagher (Appointed 5 May 2008)

Director
Age: 36
Employment consultant
Interests in shares: 1,000

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

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

Directors' report continued

Company secretary

The Company secretary is Kelly Ann Powers. Kelly was appointed to the position of secretary on 13 April 2007. Kelly is a lawyer with Dibbs Abbott Stillman in Melbourne. Her main area of practice is banking and finance litigation. Prior to her current employment, she was the policy advisor for Victoria Legal Aid. Kelly holds a Juris Doctor from Monash University and a Masters of Arts in International Relations and a Bachelor of Arts in Sociology from Salve Regina University in the United States.

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 and Adelaide Bank Limited. The Company began operation in May 2008 and is yet to fit out a location for its branch.

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

Operating results

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

Year ended 30 June 2008	Year ended 30 June 2007
\$	\$
(70,325)	-

Dividends

No dividends were declared or paid for the previous year and the Directors recommend that no dividend be paid for the current year.

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' report continued

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. 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.

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.

Remuneration report

No Director receives remuneration for services as a Company Director or Committee Member.

There are no employees who are directly accountable and have responsibility for the strategic direction and operational management of the entity.

There are therefore no specified Executives whose remuneration requires disclosure.

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
John Richard Westbury	22	19
Craig Neville Mundy (Appointed 30 July 2007)	22	16
Kelly Ann Powers	22	22
Travis John Bell	22	19
Elizabeth Helen MacClafferty	22	19
Andy Paul Moutray-Read	22	17
Gary David Clough	22	11
James Lewin Macdougall	22	19
David John Bardsley	22	15
Peter James Gallagher (Appointed 5 May 2008)	3	1
Rhonda Margaret Brand (Resigned 14 April 2008)	17	11

Directors' report continued

Non audit services

The Company may decide to employ the Auditor on assignments additional to their statutory duties where the Auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the Auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The Board of Directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the Auditor, as set out in the notes did not compromise the Auditor independence requirements of the Corporations Act 2001 for the following reasons:

all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;

none of the services undermine the general principles relating to Auditor independence as set out in Professional Statement F1, including reviewing or auditing the Auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

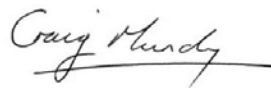
Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Signed in accordance with a resolution of the Board of Directors at Seddon, Victoria on 23 October 2008.



John Richard Westbury, Chairman



Craig Neville Mundy, Treasurer

Auditor's independence declaration



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Bendigo VIC 3550
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afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 795 337

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Inner West Community Enterprises Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

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

A handwritten signature in black ink, appearing to read 'David Hutchings', is written over a light grey rectangular area.

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 23rd day of October 2008

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	3	18,233	-
Salaries and employee benefits expense		(11,564)	-
General administration expenses		(9,550)	-
Start up costs		(100,000)	-
Loss before income tax credit		(102,881)	-
Income tax credit	4	32,556	-
Loss for the period		(70,325)	-
Loss attributable to members of the entity		(70,325)	-
Earnings per share (cents per share)		c	c
- basic for profit for the year	17	(38.61)	-

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
Assets			
Current assets			
Cash assets	5	434,527	9
Trade and other receivables	6	37,093	-
Total current assets		471,620	9
Non-current assets			
Intangible assets	7	10,000	-
Deferred tax assets	8	32,556	-
Total non-current assets		42,556	-
Total assets		514,176	9
Liabilities			
Current liabilities			
Trade and other payables	9	5,431	-
Borrowings	10	500	-
Provisions	11	1,015	-
Total current liabilities		6,946	-
Non-current liabilities			
Provisions	11	48	-
Total non-current liabilities		48	-
Total liabilities		6,994	-
Net assets		507,182	9
Equity			
Issued capital	12	577,507	9
Accumulated losses	13	(70,325)	-
Total equity		507,182	9

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		9,924	-
Payments to suppliers and employees		(147,116)	-
Interest received		281	-
Net cash used in operating activities	14	(136,911)	-
Cash flows from investing activities			
Payments for intangible assets		(10,000)	-
Net cash used in investing activities		(10,000)	-
Cash flows from financing activities			
Proceeds from issues of equity securities		605,692	9
Payment for share issue costs		(24,763)	-
Proceeds from borrowing		500	-
Net cash provided by financing activities		581,429	9
Net increase in cash held		434,518	9
Cash at the beginning of the financial year		9	-
Cash at the end of the financial year	5(a)	434,527	9

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	2008 \$	2007 \$
Total equity at the beginning of the period	9	-
Net loss for the period	(70,325)	-
Net income/expense recognised directly in equity	-	-
Dividends provided for or paid	-	-
Shares issued during period	605,692	9
Costs in issuing shares	(28,194)	-
Total equity at the end of the period	507,182	9

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 (including the Australian Accounting Interpretations) and the Corporations Act 2001.

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.

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.

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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 consolidated 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 Company/consolidated entity intends to settle its tax assets and liabilities on a net basis.

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Employee entitlements (continued)

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

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

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

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.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line 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 straight line 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:

- leasehold improvements	40 years
- plant and equipment	2.5 - 40 years
- furniture and fittings	4 - 40 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements (continued)

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.

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.

Notes to the financial statements continued

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.

(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 and Adelaide 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 and Adelaide Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide 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 and Adelaide Bank Limited Limited mitigates this risk significantly.

Notes to the financial statements continued

	Note	2008 \$	2007 \$
Note 3. Revenue from ordinary activities			
Operating activities:			
- services commissions		7,609	-
- other revenue		2,500	-
Total revenue from operating activities		10,109	-
Non-operating activities:			
- interest received		8,124	-
Total revenue from non-operating activities		8,124	-
Total revenues from ordinary activities		18,233	-

Note 4. Income tax expense

The components of tax expense comprise:

- Deferred tax on provisions		2,370	-
- Future income tax benefit attributable to losses		(34,926)	-
		(32,556)	-

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Operating loss		(102,881)	-
Prima facie tax on loss from ordinary activities at 30%		(30,865)	-
Add tax effect of:			
- timing difference expenses		(2,370)	-
- other deductible expenses		(1,691)	-
Current tax		(34,926)	-
Movement in deferred tax	8.	2,370	-
		(32,556)	-

Notes to the financial statements continued

	2008 \$	2007 \$
Note 5. Cash assets		
Cash at bank and on hand	4,254	9
Term deposits	430,273	-
	434,527	9

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

5(a) Reconciliation of cash

Cash at bank and on hand	4,254	9
Term deposit	430,273	-
	434,527	9

Note 6. Trade and other receivables

Trade receivables	22,577	-
Prepayments	14,516	-
	37,093	-

Note 7. Intangible assets

Franchise Fee		
At cost	10,000	-
Less: accumulated amortisation	-	-
	10,000	-

Note 8. Deferred tax

Deferred tax asset		
- Opening balance	-	-
Future income tax benefits attributable to losses	34,926	-
Deferred tax on provisions and prepayments	(2,370)	-
- Closing balance	32,556	-

Notes to the financial statements continued

	2008 \$	2007 \$
Note 9. Trade and other payables		
Other creditors & accruals	5,431	-
	5,431	-

Note 10. Borrowings

Loan - Director	500	-
Loan from Director is interest free.		

Note 11. Provisions

Current		
Employee provisions	1,015	-
Non-Current		
Employee provisions	48	-
Number of employees at year end	1	-

Note 12. Contributed equity

605,701 ordinary shares fully paid of \$1 each (2007: 9)	605,701	9
Less: equity raising expenses	(28,194)	-
	577,507	9

Note 13. Accumulated losses

Balance at the beginning of the financial year	-	-
Net loss from ordinary activities after income tax	(70,325)	-
Balance at the end of the financial year	(70,325)	-

Notes to the financial statements continued

	2008 \$	2007 \$
Note 14. Statement of cash flows		
Reconciliation of loss from ordinary activities after tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(70,325)	-
Non cash items:		
- depreciation	-	-
- amortisation	-	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(37,093)	-
- (increase)/decrease in other assets	(32,556)	-
- increase/(decrease) in payables	2,000	-
-increase/(decrease) in provisions	1,063	-
Net cash flows used in operating activities	(136,911)	-

Note 15. Auditors' remuneration

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

- audit & review services	800	-
- non audit services	14,533	-
	15,333	-

Notes to the financial statements continued

Note 16. Director and related party disclosures

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

John Richard Westbury

Craig Neville Mundy (Appointed 30 July 2007)

Kelly Ann Powers

Travis John Bell

Elizabeth Helen MacClafferty

Andy Paul Moutray-Read

Gary David Clough

James Lewin Macdougall

David John Bardsley

Peter James Gallagher (Appointed 5 May 2008)

Rhonda Margaret Brand (Resigned 14 April 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
John Richard Westbury	55,001	1
Craig Neville Mundy (Appointed 30 July 2007)	500	-
Kelly Ann Powers	401	1
Travis John Bell	2,501	1
Elizabeth Helen MacClafferty	2,001	1
Andy Paul Moutray-Read	2,501	1
Gary David Clough	10,001	1
James Lewin Macdougall	7,001	1
David John Bardsley	22,001	1
Peter James Gallagher (Appointed 5 May 2008)	1,000	-
Rhonda Margaret Brand (Resigned 14 April 2008)	501	1

There was no movement in Directors shareholdings during the year. Each share held is valued at \$1.

Notes to the financial statements continued

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

Note 17. Key management personnel disclosures

No Director of the Company receives remuneration for services as a Company Director or Committee member.

There are no Executives within the Company whose remuneration is required to be disclosed.

Note 18. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	(70,325)	-
--	----------	---

	2008 Number	2007 Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	182,156	9

Note 19. 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 20. Contingent liabilities

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

Note 21. Segment reporting

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

Note 22. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
Unit 2/107 Victoria Street	Unit 2/107 Victoria Street
Seddon VIC 3011	Seddon VIC 3011

Notes to the financial statements continued

Note 23. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. 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 Statement of Financial Position 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	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash assets	33,518	-	400,000	-	-	-	-	-	1,009	9	0.23	Nil
Receivables	-	-	-	-	-	-	-	-	22,577	-	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	5,431	-	N/A	N/A
Borrowings	-	-	-	-	-	-	-	-	500	-	N/A	N/A

Director's declaration

In accordance with a resolution of the Directors of Inner West Community Enterprises Limited, we state that:

In the opinion of the Directors:

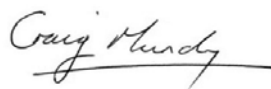
- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting 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.

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



John Richard Westbury

Chairman



Craig Neville Mundy

Treasurer

Signed on 23 October 2008.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT

To the members of Inner West Community Enterprises Limited

We have audited the accompanying financial report of Inner West Community Enterprises 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 then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 Related Party Disclosures ("Remuneration disclosures"), under the heading "Remuneration Report" in the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors Responsibility for the Financial Report

The directors 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 designing, implementing and maintaining internal controls 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 that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the directors' report.

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 and that the remuneration disclosures comply with Accounting Standards AASB 124 Related Party Disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation

Independent audit report continued

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

- 1) The financial report is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Inner West Community Enterprises Limited as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance 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.
- 3) The remuneration disclosures that are contained in the directors' report comply with Accounting Standards AASB 124 Related Party Disclosures.



DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 23rd day of October 2008

Seddon **Community Bank**[®] Branch
2/107 Victoria Street, Seddon VIC 3011

Franchisee: Inner West Community Enterprises Limited
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ABN 93 124 893 705

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Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR8025) (08/08)

